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WITH THE COMPLIMENTS OF THE SECRETARY
BOMBAY MILLOWNERS' ASSOCIATION, BOMBAY

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REPORT

OF

The Millowners' Association, Bombay,

For the year 1932.

133734

(*Established 1st February* 1875.)

PRESENTED TO THE ANNUAL GENERAL MEETING
HELD ON 5th APRIL 1933.

Bombay:
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THE MILLOWNERS' ASSOCIATION, BOMBAY.

REPORT FOR THE YEAR 1932.

LIST OF CONTENTS.

			PAGES.
SECTION	I.	Proceedings of the Annual General Meeting held on 5th April 1933	*i—vii*
SECTION	II.	Foreword—Abstracts of subjects dealt with by the Committee during the year—Accounts of the Association for the year ending 31st December 1932	i-iv, 1—122
SECTION	III.	Correspondence	123—424
SECTION	IV.	Financial Statement of the Government of India for the year 1933-34	425—460
SECTION	V.	Statistics	461—508
SECTION	VI.	Rules and Regulations of the Association, etc. ..	*i—xlvii*

CONTENTS.

PAGE.

Accidents in Bombay Cotton Mills 113
Accounts of the Association 119
Advances to workmen—proposed enquiry by Labour Office 107, 377
African Cotton—Standards for 56, 245
American Cotton—Testing of, for moisture contents 101, 376
Anti-dumping Legislation 72, 272
Arbitration Rules of the Association 5
Association's representatives on public bodies :—
Excise Advisory Committee, Bombay 2
G. I. P. Railway Local Advisory Committee 1
Improvement Trust, Bombay 2
Indian Central Cotton Committee 2
Municipal Corporation, Bombay 1
University of Bombay.. 2
Attendance in Factories, statistics of 109, 382
Auditors of the Association 2
Besetting an Industrial Establishment for collection of debts—to be made a cognizable offence 99, 364
Bhavnagar—Diversion of trade to, from Bombay 57, 247
Chairman, Deputy Chairman and Committee of the Association 1
Cheques, stamp duty on 93, 346
Coal, Indian—use of, in Indian mills 110, 383
Contract Act, Indian—amendment of 95, 349
Cotton, African—Standards for 56, 245
Cotton, American—Testing to ascertain moisture contents 101
Cotton Contracts Act, Bombay, 1932 .. .. 45, 224
Cotton Contracts, on nett weight basis 101, 376
Cotton, Diversion of trade in, from Bombay to Bhavnagar 57, 247
Cotton, Import duty on 58, 249
Cotton, Indian—Standards for 54, 237
Cotton, Long-stapled—Use of, in Indian mills 54, 238
Cotton, Raw, Stocks in Bombay 116
Debts—Besetting an industrial establishment for collection of 99, 364
Dextrine, Import duty on 86
Donations paid by the Association 116
Double Shift work in Bombay mills 6
Duty on electric energy consumed in Bombay 13, 145
Duty on imported yarn—proposed abolition of 69, 261
Duty on imported cotton 58, 249
East India Cotton Association—Ring Trading Bye-laws 51, 232
Electoral Rules and Regulations—Amendment of in regard to Commerce and Industries Constituencies 41, 219
Electricity Duty in Bombay 13, 145
Employers' Liability 33, 205
Employment Agencies—fee-charging—proposed abolition of 44, 224
Excise Duty on Cloth—Re-imposition proposed by the Calcutta Import Trades' Association 85, 305
Factories Act, Indian, proposed amendment 20, 153
Factories Act, Indian, abolition of exemptions granted under the Act 30, 185
Factories, Statistics of attendance in 109, 382
Federal Assembly—Representation of Indian Textile Industry 37, 212
Federal Finance Committee—Control of legislation over stamps 93, 346
Fire Insurance Association—Rules for construction of mill buildings 111, 384

PAGE.

First-aid Classes for mill staff 7
Franchise Commission—Constitution of Central Legislature—proposed abolition of representation enjoyed by the Indian Textile Industry 37, 212
Franchise Commission—Constitution of Provincial Legislatures—representation of Commerce and Industries 39, 218
Fuel oil—Question of mills using, reverting to coal 110, 383
Gins and Presses—Legislation to control licensing 30, 186
Holidays and Pay-days for 1933 for Bombay Mill Operatives 116
Hospital Saving Association, proposal by the Surgeon-General 111, 391
Hours of work, etc., in Indian Textile Industry—Enquiry into at the instance of the International Labour Office.. .. .. 108, 378
Import Duty on Dextrine, Starch, etc. 86
Import Duty on Raw Cotton 58, 249
Import Duty on Yarn 69, 261
Imported Piecegoods and Yarn—Quotations and Wholesale Prices 115
Income-tax Act, Indian—Amendment—Establishment of Tribunals 92, 323
Income-tax Act, Indian—Amendment—Taxation of Incomes earned abroad .. 90, 323
Income-tax Act, Indian—Amendment—Deduction of tax at source—Submission of returns showing names and addresses of recipients of interest other than "interest on securities"—Assessment of "annual accretions" to the credit of an employee in a recognized provident fund to income-tax and super-tax, etc., etc. 87, 311
Industrial Establishments—Besetting for collection of debts 99, 364
International Labour Conference—XVI Session—Employers' Delegate 42, 221
International Labour Conference—XVII Session—Employers' Delegate 43, 222
International Cotton Committee 101, 376
Labour Conference, International—XVI and XVII Sessions—see under "International Labour Conference."
Labour—Recommendations of the Royal Commission on 16
Land Acquisition Act—Amendment of—to empower compulsory acquisition where land is required for housing of labour, etc. 100, 366
Leave, proposed enquiry by Labour Office to ascertain extent of—granted to workmen 107, 377
Licensing of Gins and Presses 30, 186
Losses of Bombay Cotton Mill Industry in 1931 115
Mail Contract with B. I. S. N.—question of renewal 115, 393
Maternity Benefits Act—proposed amendments.. .. .. 35, 209
Medical Facilities for mill operatives 111, 391
Membership of the Association 2
Municipal Assessment of Bombay Cotton Mills 8, 134
Negotiable Instruments—Railway Receipts being treated as 98, 363
Ottawa Conference—Tariff Agreement between India and the United Kingdom .. 75, 278
Power Costs—Cash discount for early payment of bills 12, 144
Protection to the Indian Cotton Textile Industry :—
Tariff Board 60, 251
Depreciation of Yen Exchange 63
Deputation to the Government of India 63
Supplementary Enquiry by the Tariff Board 65, 252
Provincial Legislatures—Representation of Commerce and Industries—Recommendations of the Franchise Commission 39, 218
Railways Act—Amendment of 97, 351
Railway Receipts—Treatment of—as Negotiable Instruments 98, 363
Ring Trading Bye-laws of the East India Cotton Association 51, 232
Royal Commission on Labour—Recommendations 16
Safeguarding Indian Industries—Legislation for 72, 272
Safety Organization in Industrial Undertakings 113
Stamp Duties—Legislation to control—Recommendations of the Federal Finance Committee 93, 346
Standards for African Cotton 56, 245

	Page.
Standards for Indian Cotton	54, 237
Tariff Agreement between U. K. and India	75, 278
Tariff Board of 1932	60, 251
Tariff Valuations for 1933	118, 395
Testing of American Cotton to ascertain moisture contents	101, 376
Trade Numbers—Protection of	4, 131
Trade Numbers—Association's Rules for the Registration of	3, 125
Tribunals to control assessment of income-tax, etc.	92, 323
Wages, leave, advances, etc. to workmen—enquiry by Labour Office	107, 377
Water charges—for building purposes	12, 142
Water-tax—increased	10, 140
Welfare work in Bombay cotton mills	112
Wells, Mr. H. G.—on working conditions in Bombay Mills	105
Whitley Commission—Recommendations of	16
Working conditions in Bombay Mills—Observations by Mr. Wells	105
Working conditions in Indian Cotton Mills—Proposed enquiry into, at the instance of the International Labour Office	108, 378
Workmen's Compensation Act—Amendments	31, 187
Yarn, Cotton—Import Duty on	69, 261
Yen, Depreciation of	63

MILLOWNERS' ASSOCIATION, BOMBAY.

ESTABLISHED 1st FEBRUARY 1875.

List of Members.

AHMEDABAD ADVANCE MILLS, LIMITED.
APOLLO MILLS, LIMITED.
ATHERTON WEST AND COMPANY, LIMITED, (ATHERTON MILLS.)
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BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED.
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BUCKINGHAM AND CARNATIC COMPANY, LIMITED.
BURHANPUR TAPTI MILL, LIMITED.
CAWNPORE COTTON MILLS COMPANY.
CAWNPORE WOOLLEN MILLS.
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CENTURY SPINNING AND MANUFACTURING COMPANY, LIMITED.
CEYLON SPINNING AND WEAVING COMPANY, LIMITED.
COIMBATORE SPINNING AND WEAVING COMPANY, LIMITED.
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COORLA SPINNING AND WEAVING COMPANY, LIMITED.
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GAEKWAR MILLS, LIMITED.
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INDIAN MANUFACTURING COMPANY, LIMITED.
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INDORE-MALWA UNITED MILLS, LIMITED.
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KAISER-I-HIND WOOLLEN, COTTON AND SILK MILLS, LIMITED.
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KHATAU MAKANJI SPINNING AND WEAVING COMPANY, LIMITED.
KOHINOOR MILLS COMPANY, LIMITED.
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MADRAS UNITED SPINNING AND WEAVING MILLS COMPANY, LIMITED.
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MAHABOOB SHAHI KULBURGA MILLS COMPANY, LIMITED.
MAHARANI WOOLLEN MILLS, LIMITED, BARODA.
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PEARL MILLS, LIMITED.
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ASSOCIATION'S REPRESENTATIVES.

Legislative Assembly—MR. H. P. MODY.
Bombay Legislative Council—MR. JEHANGIR B. PETIT.
City of Bombay Improvement Trust—MR. AHMED F. CURRIMBHOY.
Bombay Port Trust—MR. A. GEDDIS.
Victoria Jubilee Technical Institute—MR. JEHANGIR B. PETIT and MR. V. N CHANDAVARKAR.
Bombay Smoke Nuisances Commission—MR. J. D. PEMBER and MR. W. A. SUTHERLAND
Sydenham College of Commerce Advisory Board—MR. T. V. BADDELEY
Indian Central Cotton Committee—MR. S. D. SAKLATVALA.
Empire Cotton Growing Corporation—MR. R. J. UDANI.
Development of Bombay—Advisory Committee—MR. JEHANGIR B. PETIT.
G. I. P. Railway Advisory Committee—MR. A. GEDDIS.
B. B. & C. I. Railway Advisory Committee—MR. H. P. MODY.
Excise Advisory Committee—MR. AHMED F. CURRIMBHOY.
Nowrosji Wadia Maternity Hospital Board of Management—SIR NOWROJI SAKLATVALA, KT., C.I.E., and MR. H. P. MODY
Municipal Corporation—MR. H. P. MODY.
University of Bombay—MR. JEHANGIR B. PETIT.

COMMITTEE FOR 1933.

H. P. MODY, ESQ. (*Chairman*).
AHMED F. CURRIMBHOY, ESQ. (*Dy. Chairman*).
SIR NESS WADIA, K.B.E., C.I.E.
THE HON'BLE SIR DINSHAW E. WACHA, KT.
SIR MUNMOHANDAS RAMJI, KT.
SIR CUSROW WADIA, KT., C.I.E.
SIR NOWROJI SAKLATVALA, KT., C.I.E.
T. V. BADDELEY, ESQ.
F. E. DINSHAW, ESQ.
A. GEDDIS, ESQ.
H. H. LAKIN, ESQ.
LALJI NARANJI, ESQ.
H. F. MILNE, ESQ.
JEHANGIR B. PETIT, ESQ.
RATANSI D. MORARJI, ESQ.
ALBERT RAYMOND, ESQ.
S. D. SAKLATVALA, ESQ.
H. H. SAWYER, ESQ.
F. STONES, ESQ., O.B.E.
MADHAVJI D. THACKERSEY, ESQ.

T. MALONEY, ESQ., M.C., *Secretary*.
A. C. M. CURSETJEE, ESQ., *Asstt. Secretary*.

TRUSTEES OF ASSOCIATION'S FUNDS.

General Fund:—MR. H. P. MODY and MR. RATANSI D. MORARJI.
Provident Fund:—MR. S. D. SAKLATVALA and MR. H. P. MODY.

CHAIRMEN AND SECRETARIES OF THE MILLOWNERS' ASSOCIATION, BOMBAY.

Chairmen.

H. MAXWELL, 1875, 1876-77, 1877-78.

J. A. FORBES, 1878-79.

SIR DINSHAW MANECKJI PETIT, 1879-80, 1880-81, 1881-82, 1882-83, 1883-84, 1884-85, 1886-87, 1888-89, 1889-90, 1891, 1892.

SIR GEORGE COTTON, 1893, 1894, 1895, 1896, 1897, 1898, 1899*, 1900*.

JOHN R. GREAVES, 1899*, 1900*, 1901, 1902.

BOMANJEE DINSHAW PETIT, 1903.

SIR SASSOON J. DAVID, 1904, 1905.

SIR VITHALDAS DAMODHER THACKERSEY, 1906, 1907.

SIR FAZULBHOY CURRIMBHOY, 1908.

SIR MANMOHANDAS RAMJEE, 1909.

HERBERT R. GREAVES, 1910.

SIR NESS WADIA, 1911.

SIR DINSHAW M. PETIT, 1912.

J. F. BRADBURY, 1913.

NAROTTAM MORARJEE, 1914.

JEHANGIR B. PETIT, 1915.

SIR NOWROJI SAKLATVALA, 1916.

SIR DINSHAW E. WACHA, 1917.

SIR CUSROW WADIA, 1918.

N. G. HUNT, 1919.

RAHIMTOOLA CURRIMBHOY, 1920.

SIR JOSEPH KAY, 1921, 1922.

SIR VICTOR SASSOON, 1923.

S. D. SAKLATVALA, 1924.

SIR NESS WADIA, 1925.

A. GEDDIS, 1926.

H. P. MODY, 1927.

J. B. PETIT, 1928.

H. P. MODY, 1929, 1930, 1931, 1932, 1933.

Secretaries.

JOHN GORDON, 1875-84.

DAVID WATSON (Acting), 1881-82.

JOHN MARSHALL, 1884-98.

FREDERICK NOEL-PATON, 1898-1905.

J. B. LESLIE-ROGERS, 1905-11.

R. E. GREGOR-PEARSE, 1912-20.

C. B. SAYER, 1921-24.

T. MALONEY, appointed 1924.

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* Part Year.

Millowners' Association, Bombay.

Section I.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING
HELD ON 5th APRIL 1933.

The Millowners' Association, Bombay.

ANNUAL GENERAL MEETING.

PROCEEDINGS OF THE ANNUAL GENERAL MEETING of the Members of the Millowners' Association, Bombay, held in the rooms of the Association (Patel House, Churchgate Street, Fort) at 11-30 a.m. (S.T.) on Wednesday, the 5th April 1933, to transact the following business :—

1. To receive and adopt the Committee's Report for the year 1932 ;

2. To appoint Auditors of the Association's accounts for the current year and to fix their remuneration ;

and any other business that may be brought forward.

MR. H. P. MODY, M.L.A., Chairman of the Association, presided.

The following gentlemen were also present :—

Mr. E. W. Perry, Ag. Director of Information and Labour Intelligence ; Mr. T. W. Johnstone, M.B.E., Chief Inspector of Factories ; Mr. N. A. Mehrban of the Labour Office ; Mr. Haskell, Dy. Director of Industries, Bombay ; Mr. R. J. F. Sulivan of the Chamber of Commerce ; Mr. A. H. Maru, Ag. Secretary, Indian Merchants' Chamber, Bombay ; Mr. Ahmed F. Currimbhoy, representing the Bradbury Mills, Ltd., the Ceylon Spinning and Weaving Co., Ltd., the Crescent Mills Co., Ltd., the Currimbhoy Mills Co., Ltd., the Indian Bleaching, Dyeing and Printing Works, Ltd., the Ebrahimbhoy Pabaney Mills Co., Ltd., the Fazulbhoy Mills, Ltd., the Kastoorchand Mills Co., Ltd., the Osmanshahi Mills, Ltd., and the Pearl Mills, Ltd. ; Sir Joseph Kay, Kt., Mr. A. H. Baker and Mr. R. L. Ferard, representing the Colaba Land and Mill Co., Ltd., the New City of Bombay Manufacturing Co., Ltd. and the New Great Eastern Spinning and Weaving Co., Ltd. ; Mr. A. Geddis and Mr. G. Furze, representing the Swan Mills, Ltd., the Finlay Mills, Ltd., the Satya Mill, Ltd., and the Gold Mohur Mills, Ltd. ; Mr. H. F. Milne, representing the Kohinoor Mills Co., Ltd. ; Mr. F. Stones, O.B.E., and Mr. B. D. Benjamin, representing the Apollo Mills, Ltd., the David Mills Co., Ltd., the E. D. Sassoon United Mills, Ltd., the Edward Sassoon Mills, Ltd., the Elphinstone Spinning and Weaving Mills Co., Ltd., the Meyer Sassoon Mills, Ltd., and the Loyal Mills, Ltd. ; Mr. Jehangir B. Petit, representing the Framjee Petit Spinning and Manufacturing Co., Ltd. ; Mr. S. D. Saklatvala, representing the Ahmedabad Advance Mills, Ltd., the Central India Spinning, Weaving and Manufacturing Co., Ltd., the Svadeshi Mills Co., Ltd., and the Tata Mills, Ltd. ; Mr. E. J. Bunbury and Mr. T. V. Baddeley, representing the Gokak Mills, Ltd., and the Simplex Mills, Ltd. ; Mr. D. J. Registrar, representing the Berar Manufacturing Co., Ltd., and the Model Mills, Nagpur, Ltd. ; Mr. Kaikobad Cawasjee Dinshaw, representing the Burhanpur Tapti Mill, Ltd. ; Raja Govindlal Shivlal Motilal, representing the Raja Bahadur Motilal Poona Mills, Ltd. ; Mr. Mathuradas Dwarkadas, representing the Jam Shri Ranjitsinghji Spinning and Weaving Mills Co., Ltd. ; Mr. Cavasji Cursetji Dalal, representing the Khandeish Spinning and Weaving Mills Co., Ltd. ; and Mr. T. Maloney, *Secretary*.

The notice convening the meeting having been read by the Secretary, the CHAIRMAN said :—

In presenting to you the Report of the Association for 1932, I must briefly pass in review the outstanding events of the year.

World Economic Conditions.

The world has passed through another year of agony. Not one of the momentous problems which are facing it, and which are crying aloud for settlement, was any nearer solution, and as a result the interchange of commodities between the leading countries of the world suffered a further setback. Trade in the first six months of 1932 showed in gold values a falling off of 34 per cent. compared with the first half of the previous year. Production figures also showed a serious decline, as also the price index of agricultural products, which is still well below the index for 1914.

The situation in regard to the monetary problem has been equally serious, as is evidenced by the fact that to-day, only five countries of the world are effectively operating on a gold basis, as compared with 27 in the earlier part of 1931, and even the United States with their enormous reserves of the yellow metal were nearly forced off the gold standard a few weeks ago. The benefits which were expected to accrue to countries working on sterling, after it was unlinked from gold, did not materialise to any great extent, owing to the fact that other countries depreciated their currencies to an even greater extent. Japan, in particular, was able to manipulate her currency in a way which has given her an enormous advantage over the rest of the world in regard to her export trade. During the few weeks that she continued on the gold standard after Great Britain had left it, she bought enormous supplies of raw material, and transmitted large sums abroad to finance future trading operations. Thereafter, she allowed her exchange to decline precipitously, and the Yen/Rupee exchange which stood at Rs. 200 in December 1931 came down to Rs. 85 in December 1932. As a result of this and other causes, Japan has been able to sell her products in this country at prices which, in a large number of cases, are very little above those of the raw material, and many Indian industries have suffered through this dumping of Japanese manufactures.

It could hardly be expected that, when the rest of the world was in such a parlous condition, India could have experienced prosperity. Agricultural and industrial conditions were woeful, and the position of large masses of people grew steadily worse. At the same time, it has to be said that India has been weathering the storm better than most countries. The additional burden on the taxpayer, however, has been enormous, and the recent Budget has brought no relief whatsoever. Unless military expenditure is drastically reduced—and I maintain that a country which can only afford to spend Rs. 3 per head on one of the prime necessities of life like clothing, cannot afford to spend nearly 50 crores of rupees on military defence—there is no hope of any substantial reduction of the burden which has been placed on all classes of the people.

The Indian Cotton Textile Industry.

The position of the Cotton Textile Industry in the country has continued to be very unhappy. The prices realized for cloth and yarn have for a considerable period been below the cost of production. It is true that to a certain extent the situation is due to world causes, but with an enormous home market and the prices of cloth and yarn at levels which should induce a steady demand and a satisfactory offtake, the position of the Textile Industry should not be anything like as parlous as it is to-day. The reasons are not far to seek. They are to be found in the utterly inadequate measure of protection which has been given to the industry against the inroads of Japanese manufactures. As you are aware, the ever-increasing menace of Japan's competition has been continually brought to the notice of the Government of India, and about the middle of last year, a representation was sent up asking for additional protection. After weeks of delay, which I cannot characterise as unavoidable, the tariff was raised in the case of piecegoods from 31¼ per cent. to 50 per cent. against all foreign countries. The additional protection thus granted may be said to have been neutralised, however, at the very moment it was given. The Tariff Board, to whom a special reference had been made, had based their conclusions with regard to the additional protection which was necessary on an exchange value of Rs. 106 per Y100. When Government acted on the report, the exchange had fallen to Rs. 88 per Y100. On this account, and on account of the further depreciation of Japanese prices which has since taken place, the 50 per cent.

duty has proved wholly ineffective in preventing Japanese-penetration of the Indian market, and wholly insufficient to enable the Indian Textile Industry to realize a fair selling price for its products.

During the last few months, we have been repeatedly urging the Government of India to realize the situation and to prevent the ruin of a great national industry at the hands of a foreign competitor. The wheels of Government move slowly, and no decision has yet been taken, though an overwhelming case has been presented. A deputation of millowners from all parts of India propose to wait on His Excellency the Viceroy to urge the case of the industry, and it is to be hoped that prompt and effective steps will be taken if a complete breakdown is to be avoided. The crisis which confronts the industry to-day is more severe than any that has yet overtaken it, and every week brings reports of mills closing down in every centre in India. In Bombay City and Island, the position has been growing progressively worse, until to-day, more than one-third of the spindles and one-fourth of the looms are idle. Stocks in the country have grown enormously, and it is obvious that a prolongation of the present conditions, apart from its effects on a large number of financially weaker mills, will give a setback to the industry as a whole, from which it may take years to recover.

While we are engaged in a fight for existence, it is not particularly helpful to be told that the industry has to reorganize itself. I have on various occasions given details of what we have been able to achieve even in this period of extreme difficulty and uncertainty, and a full statement has very recently been placed before the Tariff Board. It has to be remembered, however, that one of the essential conditions of reorganization is re-equipment of machinery and installation of new processes, and while progress has been made in this direction, it is only when times are restored to normal that mills can be in a position completely to modernise their plant. Meanwhile, considering the enormous sums of money which the industry has lost during the last few years, what has been accomplished hitherto must be accounted to the credit of those engaged in the industry.

Anti-dumping Legislation.

The position in regard to yarn is in one respect worse than that of cloth because, owing to defects in the tariff legislation of the country, no change in duties can at present be effected by executive order, except in the case of those industries where differential duties exist. The situation was fully realized by the Association when an All-India deputation waited on the Finance and Commerce Members in July last, and a request for a widening of the special Tariff Board's terms of reference so as to include consideration of the cases of yarn and artificial silk piecegoods was made to the Government of India, but it was turned down. With a view to help the yarn industry, and many other industries similarly situated, the Association sent up a representation to Government stressing the need for anti-dumping legislation similar to that operating in other countries. The Association pointed out that this type of legislation had been advocated by the Fiscal Commission over 10 years ago, and by the Tariff Board on two different occasions since. A general realization of the menace to a large number of trades and industries, involved in the dumping of Japanese goods of all kinds, led to the Association's representation being supported by every important Chamber of Commerce and Trade Association in the country. The matter is under the active consideration of the Government of India, and let us hope that, at a very early date, a measure will be placed on the Statute-Book which will enable Government to intervene, whenever the interests of a trade or industry are threatened owing to abnormal imports from foreign countries, facilitated by a depreciation of their currencies or other adventitious circumstances.

Trade in Bombay was additionally handicapped during the year under review by political trouble and communal disturbances. As a result, the Mulji Jetha and other markets were closed down for long periods on end, and it was months before normal business relations could be re-established. Bombay has gone through a very trying period during the last few years, and a large share of its trade has been diverted to other centres in consequence. The events of last year could not but have aggravated that tendency, and the time has come for the leaders of business to confer together, and to devise ways and means to win back for the City the pre-eminent position it once occupied as a centre of industry and of the entrepôt trade of the country.

Tariff Board Enquiry.

It was a particularly strenuous year for the Committee and the staff of the Association owing to the Tariff Board enquiry. The Association's written representation was submitted to the Board on the 31st May. Thereafter, a detailed questionnaire was issued by the Board involving questions relating to costs of manufacture and the internal administration of mills. In dealing with this, the Committee was materially assisted by the managements of those mills from whom figures of costs had been obtained. Oral evidence on behalf of the Association was tendered by the Chairman, the Deputy Chairman, Sir Munmohandas Ramji, Mr. S. D. Saklatvala and the Hon'ble Mr. H. M. Mehta. The labour involved in the preparation of the Association's case was enormous, and the work could not have been accomplished but for the very willing co-operation which was given by all concerned. The Tariff Board's recommendations were submitted to the Government of India some time towards the end of last year, and it was expected that their decisions on the findings of the Board would have been made public in advance of the Budget for the current year. Unfortunately, pressure of urgent public business precluded the possibility of an early decision being reached by Government. Under the circumstances, the Legislative Assembly had to be asked to extend for a further period of six months the protection granted in 1930, and it also became necessary to extend the period of application of the additional duty imposed on cotton piecegoods as a result of the special enquiry made by the Tariff Board in July last. It is very unfortunate that such a course of action was found to be necessary, for there is no doubt that the protection granted in 1930 was defective from several points of view, and was entirely insufficient in the case of bleached, dyed, printed and artificial silk piecegoods. It is not possible to anticipate the verdict of the Tariff Board, but it may be hoped from the evidence which has been led before it, and the facts and figures which have been produced, that the Board's recommendations have taken due account of the special difficulties of the industry, and of the exact character of the competition which it has to face in the home market.

Recommendations of the Whitley Commission.

Turning to another subject, the labours of the Royal Commission on Labour are evidently destined to bring in their train a spate of industrial legislation. The first instalment has arrived in the shape of an amendment of the Workmen's Compensation Act, the principal feature of which is a very considerable increase in the conpensations payable under the Act. The Association's attitude towards most of the clauses of the Bill has been sympathetic, but objection has been taken to the way in which the scales of compensation had been revised, and it was pointed out that they had been in force for much too short a time to call for such drastic revision, and that, when they had been originally fixed, the cost of living was very much higher than it is to-day. The Bill has passed through the Select Committee stage, and may be expected to be placed presently on the Statute-Book, with the result that the industry's expenditure on accident compensation may be materially increased.

A draft Bill for the amendment of the Indian Factories Act on the lines suggested by the Royal Commission also came up for consideration before the Association during the year. The Bill deals with the control of temperature in factories, and the provision of creches, shelters for rest, rest periods, supply of first aid and drinking water, and other such matters calculated to improve the lot of the workpeople. The most important of the recommendations, however, is the one which seeks to reduce the hours of work in perennial factories. The Royal Commission proposed the substitution of a 54-hour week for the present 60-hour limit. The Association, while not desiring to retain in perpetuity the present working hours, has urged certain special considerations which make it very difficult to bring about a reduction in the present limit. Now that an employers' organization, embracing most of the leading industries of the country, has at last been brought into being, we may reasonably look for a co-ordination of policy in matters affecting industrial legislation. Hitherto industrial interests have spoken with many voices, and the need for an organization of this character has become all the greater at a time when the activities of international labour and other organizations are threatening to impose upon this country standards which have been very gradually worked up to in Western countries, and which are unsuited to the industrial conditions prevalent in this country.

Outlook for the Future.

Gentlemen, amidst the encircling gloom, it is very difficult even for a stout-hearted optimist to detect a gleam of hope, but apart from any questions of world recovery and effective protection to the industry, there are certain considerations, of which note has to be taken. The average prices of commodities exported from India were somewhat higher than during the previous year, whereas the price level of the goods which India bought from abroad was slightly lower. We have been repeatedly assured by the Finance Member, and by others, that this country will be the first to start on the road to recovery when world reconstruction takes place. So far as the industry is concerned, a great deal of reorganization has taken place, and manufacturing costs have been brought down substantially. The quality and variety of the goods which we produce have been greatly improved, and their reputation in the consuming centres stands very high. Your Committee has been engaged for some time in considering how production costs can be brought down further so as to approximate more closely to the costs in other centres, and the conclusions of the Committee may be expected shortly. It would not be unreasonable to hope that, when the industry returns to anything like normal times, the cumulative effect of the efforts of the last few years will be felt in full measure, and that those who have struggled against such tremendous odds to keep their concerns going will have the satisfaction of seeing them make an adequate return on the capital sunk in them.

Domestic Affairs.

It only remains for me to make my acknowledgment to the Deputy Chairman, Mr. Ahmed Currimbhoy, who has ungrudgingly placed his services at the disposal of the Association. The Secretary and staff, as I have stated, have had an unusual burden placed on them, and they have worked with a devotion which deserves a word of recognition. Your Secretary, Mr. Maloney, is shortly going on a holiday which he has richly earned, and I hope he will return thoroughly refreshed to assist us in coping with the difficult tasks which still confront the industry.

In seconding the adoption of the Report, Mr. Ahmed F. Currimbhoy said :—

After the Chairman's very able and lucid exposition of the chief events which have occupied the attention of your Committee during the year 1932, you will not wish me to speak at length, but there are one or two subjects of considerable importance with which I should like to deal very briefly.

The Bombay Cotton Contracts Act, 1932.

The somewhat chaotic conditions of trade which existed in the previous 18 months or so resulted in the Government of Bombay introducing a Bill in the Legislative Council for the better control of cotton transactions. The Bill, among other things, empowered the Government of Bombay to recognize more than one association, introduced the principle of direct representation of the growers on the Board of any recognized association, and empowered Government to supersede the Board of Directors of any recognized association, and to appoint in their place a Board of Control if the Governor-in-Council was of the opinion that this was necessary in order to secure free trading in the market and to prevent obstructions therein and interference therewith. The Association agreed with Government as to the necessity of taking steps to ensure free trading in the market for every one engaged in the cotton trade, but considered it was undesirable to embody in a statute drastic provisions of the character laid down in clauses 9 and 10 of the Bill, and suggested that abnormal situations as and when they arose might be more appropriately dealt with by special legislation of a temporary character. The Bill, however, practically in the same form in which it was drafted by Government was passed by the Legislative Council, and became law on 1st November 1932. One of the results of the passage of the Bombay Cotton Contracts Act of 1932 was that it became necessary for the East India Cotton Association to introduce new by-laws for the control of ring-trading as the Act laid down that recognition would not be accorded to any association unless the sole possession, effective management, control and regulation of the markets of the cotton association applying for recognition and the market-places of the said association were vested in the said association,

The by-laws which were framed have been strongly opposed by your Committee for the reason that in their opinion they by no means fulfil the purposes for which they were nominally intended, and do not give the Board of the East India Cotton Association effective control over the ring and do not protect the interests of genuine traders. The by-laws as framed by the Board of the East India Cotton Association were, however, accepted by the general body of members despite very strong opposition from the Buyers' panel of that Association. A great objection which your Committee has to the new by-laws is that they by no means remove the controlling influence of those persons who have in the past been responsible for the dislocation of trade in cotton, and this being the case, a representation was addressed by your Committee to the Government of Bombay early this year, urging the undesirability of sanctioning the new by-laws.

Municipal Assessment of Cotton Mills.

Another important event during the year was the conclusion of the protracted negotiations which have been taking place for over four years with the Bombay Municipality on the question of mill assessments. The assessments were finally fixed as a result of the award of a special tribunal of arbitrators. The result of the award is that some relief has been obtained by a majority of mills for the period 1929-33. The award cannot, however, be considered as wholly satisfactory, and as a result, it has been necessary to advise mills to protest against the valuations for the year 1933-34. Negotiations have not yet been opened with the Municipality, but the Association will most certainly press for the removal of the major inequities of the present method of assessment.

Registration of Trade Numbers.

By the introduction of the Rules for the Registration of Trade Numbers, a very considerable piece of constructive work has been accomplished by the Association. The problem of dealing with new numbers was not in itself a very difficult matter, but before this could be attempted, nearly four years of unremitting labour had to be put in by the Trade Marks Sub-Committee and the staff of the Association in collecting, recording and sorting out the rights of mills to numbers already in existence. An idea of what has been accomplished by the Association is conveyed by the following figures :—Before the rules for registration were introduced, the rights to nearly 60,000 numbers were definitely established. Since the introduction of the rules, the rights to about a thousand more old numbers have been settled, and in addition about 1,500 new numbers have been registered under the new rules in the last three months. The system of registration which has been introduced should effectively put an end to the piracy of trade numbers which has been so common a feature of the Indian cloth trade in the past, and should greatly assist members in permanently establishing their numbers and qualities in the consuming markets of India.

Welfare Work.

Considerable time was devoted during the year to proposals connected with the welfare of labour. The medical side of welfare work including the equipment and running of mill dispensaries and creches was dealt with by a special committee of mill doctors. In this work, very valuable assistance was rendered by Miss Hawkins, whose services had been lent to the Association by the National Council of Y.W.C.A. from the beginning of March. The questions of accident prevention and safety-first were dealt with at several conferences which took place between the Chief Inspector of Factories and a special Sub-Committee of mill managers, and as a result of their recommendations, a number of proposals for the avoidance of accidents have been put into operation, and attempts are being made to inculcate a " safety-first " spirit in our workpeople by a series of educative posters and warning devices painted on dangerous parts of machinery. The special " first-aid " training classes for mill workers which were introduced in 1931 were continued in 1932, and I must once again thank those voluntary workers of the St. John Ambulance Association who had charge of these classes.

I second the adoption of the Report.

The resolution was then put to the meeting and carried unanimously.

On the motion of MR. S. D. SAKLATVALA, seconded by MR. T. V. BADDELEY, it was resolved :—

"That Messrs. A. F. Ferguson & Co. be and are hereby appointed as Auditors of the Association's Accounts for the current year on the usual remuneration hitherto paid to the Association's Auditors."

MR. A. GEDDIS proposing and MR. JEHANGIR B. PETIT seconding, it was resolved :—

"That the following Donations be sanctioned and paid out of the Association's funds for the current year :—

	Rs.
The Victoria Jubilee Technical Institute	1,500
The Police Comforts Fund	1,000
The Sir J. J. Hospital Nursing Association Fund ..	750
The Textile Technical School, Parel	500
The Sydenham College of Commerce and Economics ..	500
The Bombay Textile and Engineering Association ..	400
The Goculdas Tejpal Hospital Nursing Association Fund	200
The K. E. M. Hospital Poor Box Fund	200
The Maharashtra High School	150."

On the motion of MR. A. GEDDIS, a vote of thanks was accorded to the Chairman for his very able conduct of the Association's affairs during the year.

Millowners' Association, Bombay.

Section II.

FOREWORD, PRELIMINARY REPORT AND ACCOUNTS OF THE ASSOCIATION.

REPORT

OF THE COMMITTEE OF THE

MILLOWNERS' ASSOCIATION, BOMBAY

For the Period 1st January to 31st December 1932.

FOREWORD.

In concluding the Foreword to the Association's Report for the year 1931, it was remarked that what the world needed for revival of trade was the restoration of confidence amongst the nations of the world and the quick settlement of the pending international questions. Although this was generally realized in many countries, still that close co-operation amongst nations, which alone could bring about world recovery, was wanting in 1932, and nothing solid was achieved towards its realization. It is, therefore, not surprising that throughout the year the economic depression continued to grip the world, and even seemed to grow in intensity. The abandonment of the Gold Standard, and the manipulation of currencies by various countries only increased the difficulties. The exchange policy of several countries, especially restrictions placed on foreign exchanges, embargo on certain imports and other tariff measures, all served to hamper and lessen international trade. The factor to which many of the troubles of the world can be ascribed, and which really compelled nations to adopt such restrictive and disastrous measures—the question of Reparations and War Debts—was allowed to drift for another year. Political jealousies have also not abated. 1932 has thus left behind a legacy of uncertainties, economic as well as political. The factor besides the general depression, which most affected the Textile Industry in India was the depreciation of the Japanese exchange as will be seen later, when we examine the state of the various markets during the year. Indeed, the depreciated Yen affected not only the Textile, but other important trades also such as Cement, Leather, Paper and Paints.

Under the circumstances outlined, commodity prices could not rise materially, and the lag between the prices of raw materials and of manufactured articles continued. *Cotton* was no exception. The price of Indian cotton, however, ruled slightly higher in 1932 than in 1931, partly due to Indian currency being linked to Sterling.

The year began with Broach April/May 1932 at Rs. 200, Liverpool October at 4·91*d.*, and New York October at 6·57 cents. The market kept steady for some time, after which the price began to rise until it touched Rs. 237 towards the end of February. The Oomra contract for January was so squeezed owing to a short crop that its price at one time was quoted at Rs. 20 above that of Broach. The Oomra crop was a failure, and although exporters had mostly settled their outstanding contracts with large profits, the shortage left its effects well throughout the year. Bengal contracts, which usually should be at Rs. 40 discount at this level of prices, also ruled very high : at about Rs. 15 discount only. The fear shown in our last year's Foreword that the Indian crop was likely to be the shortest crop in recent

years, or round about 32,00,000 bales, proved to be only too true, the total of cotton bales pressed being 33,38,784 only against a Government's final forecast of 40,96,000. The arrivals in Bombay were about 14 lakhs short of the previous year; the exports were also less by about 10 lakhs of bales. American markets also showed a better feeling, and prices advanced by nearly 1·25 cents. January and February shipment commitments having been fulfilled or settled, the prices showed a declining tendency from the beginning of March, and at the end of May, the Broach contract closed at Rs. 165, with New York October 5·91 cents and Liverpool October 4·58*d*. The lowest prices for the season were touched on 2nd June, Broach being quoted round Rs. 150 in Bombay, and on 9th June in New York i.e., October 5·18 cents. With the "Gentlemen's Agreement" at Lausanne, markets showed great buoyancy, and Broach advanced Rs. 30 from the bottom, and thereafter prices ruled steady. On 8th August the first American Bureau report estimated the crop at 1,13,06,000 bales against a general expectation around 1,26,00,000 bales. This caused a big jump in all markets, and towards the end of August the top price of the season was reached, Broach April/May Rs. 268, New York October 9·15 cents and Liverpool October 6·86*d*. This was, however, followed by a drop of Rs. 25 as the Bureau estimate came to be considered too low, and prices reacted. With unsettled weather in the Cotton States, sentiment turned again, and it was felt that the second Bureau estimate would be considerably lower. As a consequence, prices rose again, but it eventually turned out that the market had discounted the deterioration twice over, for the Bureau merely confirmed its first estimate. The consequence was that on the issue of the second report on 8th September, prices in New York dropped nearly a cent. The local market had gone very bullish, and the prices, therefore, showed a much heavier decline, Broach prices recording a drop of Rs. 40 in one night. For the next few days, the market showed a downward tendency, Broach touching Rs. 204 on 19th September. From the middle of September there was comparative steadiness in the local market, the decline in New York being set-off by the decline in the London-New York Exchange rate. The October and November crop forecasts showed small improvements on the previous ones, but the December forecast came as a great surprise, the estimate of the crop being 1,27,27,000 bales against the first estimate of 1,13,06,000. Prices, however, showed great resistance, the price in New York being at the end of the year half a cent higher than it was on 9th December when the last Bureau report was published.

The year closed with Broach at Rs. 202, May New York at 6·13 cents and May Liverpool at 5·09*d*.

The All-India Cotton Forecast for 1932-33 has since been published showing a crop estimate of 42,33,000 bales against last year's estimate at the same period of 40,96,000 bales and against a general expectation of 48,00,000 bales. This report may be considered bullish because of a second successive short crop, but confidence in the estimate is lacking because the crop has been late, and in many districts bolls have just begun to open.

Japan is a buyer of Indian cotton in all weak markets. She has already large commitments, and it is expected she will be a considerable buyer, as stocks of Indian cotton in Japan are very low. Another factor which may, in time to come, influence the offtake of Indian cotton is the Ottawa Agree-

ment under which England has agreed to investigate the possibilities of using Indian cotton more extensively. A representative committee to carry on such investigations has already been appointed.

The arrivals of new crop cottons show that in staple and strength the new season's crop compares very favourably with last year's. Though the basis in the beginning of the current year has been comparatively high, as the season advances it is likely that the basis will fall.

Turning to cloth, besides the depreciated Yen, already referred to, there were other factors which affected the Piecegoods Markets in India though not to the same extent. The political situation was certainly not favourable to healthy trading. The attempts to revive the Civil Disobedience Movement and the promulgation of Ordinances dislocated trade in the early months of the year. In Bombay, particularly, the picketing of foreign cloth shops by Congress volunteers and the arrests of the latter led to the practical closing of the Mulji Jetha Market for nearly two months. As most of the merchants with whom Bombay mills deal had their shops there, it became difficult for mills to transact any business. A portion of the market was eventually set apart specially for those traders who dealt in *Swadeshi* goods only, but it took some time before normal business relations were established. The difficulties of Indian mills due to the advantage which Japan continually obtained through the fall in Exchange continued to the end of the year, and were even greater than those caused by political events. At the end of 1931, the Rupee/Yen exchange was 153; it declined continually and eventually reached the low level of 82, and thus at every stage of the fall in exchange, previous purchases of cotton proved to be profitable to Japan, and at the same time the cost of manufacture converted into rupees continually declined. Japan thus enjoyed the double benefit of cheap cotton and continually falling manufacturing costs as expressed in rupee currency. The Rupee/Yen exchange having depreciated to a little over Rs. 100, the position became so serious that representations had to be made to the Government of India who referred the question to the Tariff Board which was already carrying out an inquiry into the Cotton Textile Industry. On the recommendations of the Tariff Board, Government enhanced the duty on cotton piecegoods not of British manufacture to 50 per cent. The surcharge of $11\frac{1}{4}$ per cent. that was levied for revenue purposes was discontinued when the additional duty was levied. When the Tariff Board considered the reference, the exchange was about 104, but by the time Government took action, the Yen had fallen to 88, and by the end of the year, to 82. The advantage that Japan, therefore, enjoys in the Indian market in spite of the enhanced duty may be easily judged.

While all industries throughout India had to contend more or less with political difficulties and the Japanese menace, the Bombay Mill Industry was further handicapped by the riots that occurred during April and May. Sales are usually brisk during these months, but owing to the riots, much of the trade was diverted to other centres as traders from up-country were afraid to visit Bombay.

At the beginning of the year, with Broach round Rs. 200, standard shirtings were quoted at 10 annas a pound. With the rise in cotton prices, cloth prices also advanced, and by the end of March prices had increased to $11\frac{1}{2}$ annas. With the decline in cotton, cloth prices also declined, but more

rapidly than cotton, partly owing to accumulating stocks consequent on the closing of the markets and the riots in Bombay, and partly owing to the low prices of Japanese cloths. The revival of cotton prices from the middle of June was not reflected in local cloth prices which continued to fall, and some contracts are reported to have been entered into in the middle of July at the very low price of 9½ annas. The rise in cotton consequent on the first U.S.A. Bureau estimate gave spurt to the Cloth Market, and by the time the second estimate was published fairly large contracts were entered into at 11 annas a pound. Prices declined thereafter half an anna, and they remained steady for some time and confidence was being established when a group of mills effected sales in the first week of October at 10 annas a pound, followed three or four days later by another group cutting prices further a quarter anna.

Stocks of cloth which were 1,32,000 bales at the end of 1931 diminished to 1,20,000 bales by the end of February, after which there was a continuous rise till August when the stocks were over 1,68,000 bales. There was a seasonal decrease during September, October and November though the decrease was not as large as is usual, but by the end of December stocks again rose by 6,000 bales and stood at 1,54,000 bales.

The difficulties in the Yarn Market were similar to those in the Cloth Market, with margins even lower. The prices of 10s and 20s yarns which were 6 annas and 7¾ annas at the beginning of the year rose to 7 annas and 9¼ annas by the middle of March, receded to 5½ and 7½ annas by the middle of June, remained steady till the end of July, rose with the August rise in cotton to 6¼ and 8¼ annas, but fell again by the end of October to 5¾ and 7¼ annas, at which figures they ruled till the end of the year. The stock position in the case of yarn was even worse than in cloth, stocks showing practically a steady rise from 13,000 bales at the beginning of the year to 30,000 at the end in spite of the fact that about 12 per cent. of the spindles remained inactive throughout the year.

From the above brief review, it will be clear that if the Textile Industry in India is to be set up again on the path of prosperity, the menace from Japan has got to be removed and the present dumping of goods at ridiculously low rates stopped. This cannot be done by half measures. Any protection granted to the industry should not be allowed to be nullified by the fall in the exchange value of the Yen. The industry is awaiting anxiously the decision of the Government of India on the recommendations which may have been made by the Tariff Board who held a searching inquiry into the affairs of the industry during the year. No doubt an improvement in world conditions will also react favourably on our industry. The hope of the world is now centred in the World Economic Conference. Will this Conference be able to devise measures of co-operation amongst nations which will relieve the present gloom and open a new era of prosperity ? Will the Disarmament Conference succeed where it failed in 1932 and bring about a reduction in the Naval and Military Expenditure of nations ? Will the new regime in America be able to visualise world affairs in a truer perspective than its predecessor ? Will the political horizon be clearer in the immediate future than towards the close of 1932 ? On the answers to these questions will greatly depend the prosperity of trade and industries throughout the world.

ELECTION OF CHAIRMAN OF THE ASSOCIATION FOR 1933.

The annual ballot for the office of the Chairman of the Association was held on the 9th January 1933, and resulted in the re-election of **Mr. H. P. Mody, M.L.A.**

ELECTION OF DEPUTY CHAIRMAN OF THE ASSOCIATION FOR 1933.

The annual ballot for the above election took place on the 16th January 1933, and resulted in the re-election of **Mr. Ahmed F. Currimbhoy.**

ELECTION OF THE COMMITTEE FOR 1933.

The ballot for the election of the remaining 18 members of the Committee was held on 23rd January 1933, and the following members were duly elected :—

Sir Ness Wadia, K.B.E., C.I.E. ; Sir Dinshaw E. Wacha, Kt. ; Sir Munmohandas Ramji, Kt. ; Sir Cusrow Wadia, Kt., C.I.E. ; Mr. T. V. Baddeley ; Mr. F. E. Dinshaw ; Mr. A. Geddis ; Mr. H. H. Lakin ; Mr. Lalji Naranji ; Mr. H. F. Milne ; Mr. Jehangir B. Petit, M.L.C. ; Mr. Ratansi D. Morarji ; Mr. Albert Raymond ; Mr. N. B. Saklatvala, C.I.E. ; Mr. S. D. Saklatvala ; Mr. H. H. Sawyer ; Mr. F. Stones, O.B.E. ; and Mr. Madhavji D. Thackersey.

BOMBAY MUNICIPAL CORPORATION.

Association's Representative.

In accordance with the prescribed rules, **Mr. H. P. Mody** was again elected as the Association's representative in the Bombay Municipal Corporation. Mr. Mody has continuously represented the Association's interest in the Corporation since 1st April 1923, when, according to Act VI of 1922, the Association first became entitled to elect a councillor to the Municipal Corporation.

G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

Mr. A. Geddis, who was appointed as the Association's representative on the Local Advisory Committee of the G. I. P. Railway in 1930, completed his term of office early in May this year, and the Association was asked to appoint a representative to serve on the new Committee for a period of two years. The Committee reappointed **Mr. Geddis**, and the Railway authorities were informed accordingly.

SENATE OF THE UNIVERSITY OF BOMBAY.

Association's Representative.

Mr. J. B. Petit, who was appointed as the Association's representative in the Senate of the University of Bombay in 1929, completed his term of office in April this year, but the Committee nominated him as their representative in the Senate for a further period of three years.

INDIAN CENTRAL COTTON COMMITTEE.

Technological Research Sub-Committee.

Towards the end of December 1931 the Secretary, Indian Central Cotton Committee, requested the Committee to nominate two representatives for co-option on their Technological Research Sub-Committee. The Committee, accordingly, nominated **Sir Munmohandas Ramji, Kt.,** and **Mr. F. Stones, O.B.E.**

BOMBAY IMPROVEMENT TRUST.

Improvement Committee.

The Bombay Improvement Committee was reconstituted early in the year, and the Association was requested to appoint a representative to serve on the new Committee. **Mr. Ahmed F. Currimbhoy** was returned unopposed by the Association and his appointment on the Improvement Committee was subsequently notified in the *Gazette*.

BOMBAY EXCISE ADVISORY COMMITTEE.

Early in March, the Committee of the Association were requested by the Collector of Bombay to appoint a representative to serve on the Excise Advisory Committee for the triennium ending March 1935. The Committee reappointed **Mr. Ahmed F. Currimbhoy** as their representative on the Excise Advisory Committee, and informed the Collector accordingly. Mr. Ahmed will hold office for a period of three years ending 31st March 1935.

AUDITORS.

At the Annual General Meeting of the Association held on 23rd February 1932, Messrs. A. F. Ferguson & Co. were appointed as the Association's Auditors for the current year on the usual remuneration.

MEMBERSHIP OF THE ASSOCIATION.

The total membership of the Association on 31st December 1932 was 89 as against 88 at the end of 1931.

The Ramchand Gursahai Mal Cotton Mills Co., Ltd., Lucknow, and the Jamshed Manufacturing Co., Ltd., ceased to be members during the current year and the Gaekwar Mills, Ltd., the Vidarbha Mills, Berar, Ltd., and the Savatram Ramprasad Mills Co., Ltd., Akola, were elected members.

REGISTRATION OF TRADE NUMBERS.

(*See page* 6 *of Report for* 1931.)

In the last issue of the Association's Report, it was stated that the draft rules for the registration of Trade Numbers framed by the Special Sub-Committee would shortly be placed before a general meeting of members for approval and adoption.

The rules in their finally approved form were placed before a special general meeting of members held on 10th October 1932, and duly adopted, the Rules for the Registration of Trade Numbers coming into force on 1st January 1933.

Before the new rules were put in force, member mills were called upon to send a further return showing the numbers introduced by them between March 1931 and the end of October this year, and also inform the Association as and when new numbers were introduced between the latter date and the date on which the new rules were to take effect.

Numbers which had been introduced prior to April 1930 and which had been claimed by two or more mills had been entered in the Suspense Register, but it was mentioned in last year's Report that where only two or three mills claimed a number, the Association would assist the parties concerned in arriving at a settlement as regards the exclusive rights over that number. In accordance with this undertaking, every member of the Association was furnished with a list of numbers which he was using in conjunction with not more than three other mills, and requested to communicate direct with the other parties concerned ; and as a result of the correspondence which ensued, claims in respect of many numbers were accepted or given up by mills strictly in accordance with priority of use. Such numbers were thereafter transferred to the Exclusive Register in the name of the mills whose rights to them had been admitted by the other mills concerned. During the course of the negotiations, the point was raised whether two or more mills claiming the same number on the same classification of cloth could continue to use the number if the dimensional and other particulars of the actual cloths on which it was used by each mill widely varied from each other ; e.g., whether mills A, B and C could use a number, say 308, on grey dhoties if the actual dimensions of the dhoties of the three mills on which the number was used were somewhat as follows :—

Mill A : 36″ × 6 yards.
„ B : 44″ × 9 yards.
„ C : 52″ × 10 yards.

The point was considered by the Special Sub-Committee, and it was agreed that the Association should permit such use provided the use of the number was strictly confined to cloths of particular dimensions, construction, texture, etc., and no change was made by any party to the agreement without previously consulting the other mills and informing the Association. Following on this decision, a number of such agreements was registered by the Association.

The Lists of Exclusive Numbers which had been compiled and published at various stages of the Trade Number Registration Scheme were co-ordinated and brought up to date and copies were furnished to all members. The list includes numbers which :—

(*a*) were introduced and claimed by only one mill prior to 31st December 1932 ;

(*b*) were introduced before April 1930 and claimed by two or more mills, but exclusive rights to such numbers were subsequently accorded to one particular mill.

It also included numbers in respect of which an understanding had been reached between the parties concerned, whereby the use of each number by each mill would be strictly confined to cloths of particular dimensions or other particulars. It is possible that negotiations which were in progress when the list was compiled may result in similar agreements being reached in respect of other numbers which are now in the Suspense Register, but as these are reported to the Association, the additions to the list of Exclusive Numbers will be circulated to all member mills.

The Rules for the Registration of Trade Numbers are reproduced in Section VI of the Report. (*Appendix* **1.**)

PROTECTION OF TRADE NUMBERS.

Towards the middle of November 1931, at the instance of the Bombay Chamber of Commerce, a Special Sub-Committee of the Association met the Import Sub-Committee of the Chamber to discuss the possibility of taking joint action to prevent the infringement of trade marks and trade numbers. What the Chamber had in view was that a Court of Reference, somewhat on the lines of the Association's Piecegoods Arbitration Tribunal, with panels drawn from the Chamber and the Association should be established, disputes between members of the Chamber being referred to a Court composed of two representatives of the Chamber, disputes between mills being referred to a Court consisting of two members of the Association, and disputes between mills and importers being referred to a Court consisting of one representative of the Association and one representative of the Chamber with an umpire or chairman selected alternately from the representatives of the Chamber and the Association.

The Association's representatives pointed out that the law gave adequate protection in regard to trade marks, but agreed that resort to Courts to establish the right to a number was an expensive and slow process. They, however, thought that the Association might be prepared to support the establishment of more expeditious processes such as that suggested at the meeting, and it was finally agreed that the reports of the meeting should be placed before the executive bodies of the Association and Chamber and that the initiative for further discussion should rest with the Chamber of Commerce.

Subsequently, the Chamber of Commerce prepared draft rules for the reference of all disputes over trade marks and trade numbers to a Board of Arbitration, and forwarded it to the Association for an expression of opinion thereon. In reply, the Committee pointed out that when the two sub-committees met in November, the proposition put forward was somewhat different to that now referred to for consideration, inasmuch as the Court was to take cognizance of disputes regarding trade numbers only.

It was suggested that disputes in regard to trade marks should not come within the purview of the Court of Reference, since the Association's Rules for the Registration of Trade Marks and the existing law of the land amply protected trade marks of local and imported goods against infringement. As regards trade numbers, the position was somewhat different, and the Committee were inclined to the view that a Court of Reference such as proposed might serve a useful purpose, provided its establishment was preceded by the compilation of a more or less complete record of the numbers used on the various classes of imported and Indian mill-made piecegoods. So far as the Association was concerned, steps had already been taken to compile such a register for the local industry, and the Committee considered that importers should adopt a similar procedure, and after such a step had been taken the need for a Court of Reference might be further explored. (*Appendix* **2.**)

ASSOCIATION'S RULES FOR ARBITRATION ON PIECEGOODS AND YARN.

(*See pages* 24 *and* 176 *of Report for* 1924.)

The Association's Rules for the conduct of arbitrations on piecegoods and yarn were first framed in 1924. Subsequent experience, however, revealed the fact that they were defective in certain respects, and several suggestions were received by the Committee from time to time for an amendment of the rules. The matter was, therefore, taken up with the Association's solicitors, and the rules were revised, the principal alterations being :—

Rule 2 provided that disputes between parties who were neither members nor selling agents might be referred to arbitration under these rules, provided the Committee agreed to entertain them.

Rule 7 (*b*).—The time allowed to a party to appoint an arbitrator under this rule was reduced from 15 to 10 days in order to expedite the appointment oi arbitrators.

Rule 12.—The provisions regarding submission of written statements by parties to a dispute under the old rules were deleted, as it was found that they tended to increase the expense of, and to hold up arbitrations unduly. It was laid down instead that parties were only to submit written statements if they were required by the arbitrators and not otherwise.

Rule 18 prohibited parties from appearing before arbitrators by lawyers, unless expressly permitted by the arbitrators to do so.

Rule 31 laid down a higher scale of fees payable to arbitrators and umpires than was the case under the old rules, while

Rule 32 provided for the payment of fees on the same scale by parties taking the reference out of the hands of the arbitrators or umpire after the commencement of proceedings and before the publication of the award.

Certain difficulties had been experienced by the Association, in the absence of specific provisions in the rules, to recover the costs of a reference from parties, who refused to be bound by the terms of an award and who had no place of business in Bombay. The following clause was therefore inserted in the new rules, which it was thought, would enable the recovery of costs of a reference :—

Rule 7 (*e*).—All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit of Rs. 60, or such other sum as the Committee may direct, as a cover against the expenses of the arbitration ;

Where the expenses of an arbitration remain unpaid by the party liable thereto for a period of 10 days after the award is made, the Secretary shall appropriate the deposit or a portion thereof towards the amount recoverable from the party. A refund of the amount of the deposit shall be made to the parties concerned on payment of all expenses of the arbitration in accordance with the terms of the award.

The revised rules were approved and adopted at the special general meeting of members held on 10th October, and came into force the next day.

DOUBLE-SHIFT WORKING IN BOMBAY MILLS.

Early in March 1930, the Committee were informed that a number of member mills in the city contemplated working double shifts. It was considered desirable that all members working double shifts should adopt a uniform

procedure as regards hours of work and wages for the second shift, and the Committee, therefore, recommended :—

(*i*) that the duration of night work should be nine hours for all occupations in which a 10-hour shift was worked during the day;

(*ii*) that the duration of night work for occupations in which less than 10 hours was worked during the day should be one hour less than the day shift ;

(*iii*) that work should be regulated as follows in all major departments :—

Start	.. ..	7 P.M.
Stop	.. ..	12 Midnight.
Recess	.. ..	Midnight to 1 A.M.
Restart	.. ..	1 A.M.
Close down	..	5 A.M.

(*iv*) that wage rates on night shifts be arranged so as to give night-shift workers wages equivalent to those earned by workers in corresponding occupations on the day shift.

FIRST-AID TRAINING CLASSES FOR MILL STAFF.

(*See pages* 12 *and* 102 *of Report for* 1931.)

Reference was made in the last Report to the first-aid classes organized by the Association. The final examinations were held in April, and out of a total number of 79 students who were examined, 67 were successful. The Committee considered that the expenses and labour involved in the establishment of these classes had been fully justified by the results which, considering the standard of general educational qualifications which obtained in a number of cases, were deemed extremely satisfactory. The desirability of organizing similar classes in future was also considered, and it was decided that a further batch of students should be sent up for training after the monsoon, the Association meeting all the expenses and the mills concerned defraying the cost of the students' certificates and badges.

The Committee also expressed the view that it would be desirable that successful students should be supplied with badges and designated as " first-aid " men in their respective mills, and recommended that a small extra remuneration per month should be paid to them. These badges were subsequently supplied free of charge by the mills concerned, and the Association was also informed that Messrs. E. D. Sassoon & Co. were paying their " first-aid " men a small extra remuneration, as suggested by the Committee.

The class instructors were all honorary workers, but the Committee recognized their services in a practical manner by sanctioning the payment of an honorarium of Rs. 50 each from the Association's funds.

In accordance with the Committee's decision, a further batch of students was recruited for training early in November. These will complete their courses of study in March 1933.

MUNICIPAL ASSESSMENT OF BOMBAY COTTON MILLS.

(*See page* 13 *of Report for* 1931.)

In the last issue of the Report, the possibility of a settlement being reached between the Municipality and the Association in regard to the appeals filed by Bombay mills against the assessments of 1929-30, outside the Court, on the basis of a formula to be mutually agreed upon, was indicated.

Subsequently, further negotiations followed, and it was finally agreed that the rateable value of mills should be estimated in accordance with the following formula, and that the exact values of the various factors making up this formula should be worked out jointly by two experts—Mr. N. D. Kanga representing the Municipality and Mr. E. M. Gilbert-Lodge representing the Association—whose agreed decisions would be binding on both the parties. It was further agreed that if these two gentlemen failed to agree as to the value of any particular item, it should be referred to a Board or Tribunal to be mutually agreed upon between the solicitors representing the parties.

FORMULA FOR ASCERTAINING THE RATEABLE VALUE OF THE MILLS.

Ascertain—

1. The value of land.

Note.—For this purpose the mills can be divided into three or four groups and the value per square yard can either be agreed or easily ascertained.

2. Cost new of the buildings and other improvements on the land.

Note.—This cost will have to be discounted on account of age and condition of the buildings, and in ascertaining this cost, an allowance shall be made in respect of such structures (such as chimneys, tanks, engine houses, boiler houses, etc.), which have fallen into entire disuse. In respect of such structures no refund of any tax shall be claimable.

3. A percentage of return.

Note.—This item will be taken as a net item exclusive of all outgoings and taxes which are paid by the landlord.

In fixing the percentage of return, regard must be had to the fitness and adaptability and efficiency for user as mill premises.

For this purpose mills can be divided into three groups, the central group being taken as of standard adaptability.

4. To get gross rents, add outgoings before referred to and from the total deduct statutory allowance of 10 per cent. to get net rateable value.

5. The net rateable value as fixed on the above basis is taken for a normal year and has to be discounted or appreciated on account of the condition of the textile industry.

Mr. Kanga and Mr. Gilbert-Lodge were, however, unable to agree on the values of any of the items referred to in the formula, and the matter was, therefore, referred to a Tribunal consisting of Sir Jamshedji Kanga (for the Municipality) and Mr. B. J. Desai (for the Association) with Dewan Bahadur Krishnalal Mohanlal Jhaveri as umpire. The proceedings before the Tribunal lasted for three days, and evidence was led on behalf of the mills by Mr. Gilbert-Lodge and consulting engineers of a number of mills. After hearing Mr. Kanga for the Municipality, the Tribunal issued their award in the middle of April as below :—

Item No. 1.—That for the purpose of this rating, the value of the land shall be taken at Rs. 10, Rs. 8, Rs. 5 and Rs. 4 respectively as regards the mills mentioned in the said Schedules* hereto annexed and respectively marked Nos. 1, 2, 3 and 4.

Item No. 2.—That the cost new of the buildings and other improvements on the land of the said respective mills shall be taken at Re. 0-4-6 per cubic foot. The measurements to be taken on the following basis :—

In the case of a gable or pitch roof, the height is to be taken from the ground up to the mean height of the roof. In the case of a flat roof or terrace where there is a parapet, the height is to be taken up to half the height of the parapet wall.

In the case of north light roofs, the height should be taken from the ground level to the top of the tie-beam and there is to be added to it one-third of the height from the top of the tie-beam to the top of the roof at the ridge level.

The measurements are to be taken of all structures from each of the outer sides of the walls.

Chimneys, reservoirs, compound walls, tanks, roads, drains, hydrants and electric fittings are not to be taken into the measurements and for which nothing extra is to be charged.

As regards discounting on account of age and condition of the buildings, allowances on the following scale are to be made :—

On all buildings built prior to 1890 and earlier	33⅓% on the said cost.
On all buildings built from 1890 to 1900	20%
On all buildings built from 1901 to 1910	15%
On all buildings built from 1911 to 1920	8%
On all buildings built from 1920 to 1925	4%
On all buildings built from 1925 onwards	No allowance.

If structures such as chimneys, tanks, engine houses, boiler houses, etc., have fallen into entire disuse, no charge shall be made in respect thereof.

Item No. 3.—There shall be taken Rs. 5 for land and Rs. 6 for buildings as the respective percentages of return exclusive of all outgoings and taxes in respect of all mills.

Item No. 4.—That the outgoings to be added to the amounts arrived at in item 3 are the following :—

Municipal taxes (exclusive of water tax), 14½ per cent. on the net return as fixed in item No. 3.

(Water tax to be paid for separately by meter.)

* Printed in the appendix.

Repairs.—1 per cent. on the cost new as fixed in item No. 2, and no further allowance for sinking fund should be made.

Insurance charges at 2/16 per cent. on the cost new after depreciation as fixed in item No. 2.

From this should be deducted the statutory allowance of 10 per cent. to arrive at the net rateable value.

Item No. 5.—The net rateable value as fixed on the above basis is taken for a normal year. We award a discount of 20 per cent. for the year 1929-30 on account of the condition of the textile industry during the said year. It was further agreed by the parties before us that the discount referred to in item No. 5 will be taken at 20 per cent. for the year 1930-31 and 15 per cent. for the year 1931-32, all which we determine and award.

The award was only binding on both the parties in respect of the assessments for the years 1929-30 to 1931-32, but an offer subsequently made by the Municipal Commissioner to extend it to 1932-33 with the same allowance for trade depression as allowed by the Tribunal for 1931-32, viz., 15 per cent., was also accepted by the Association, and agreed to by all mills in the city with the exception of the Tata Mill, who, of course, had very good reasons to be dissatisfied with the award, since it failed to take into consideration the fact that the allover rate of 4½ annas per cubic foot—which was apparently based on the cost of construction of a shed-cum-storey type of mill building—was very high in the case of the Tata Mill which was entirely a shed type building. The award also failed to provide specifically for a separate and lower valuation in respect of temporary structures, vacant lands and lands not used for mill purposes and which could be fenced off. It also did not exempt lavatories and urinal blocks when calculating the cubical contents of mills. There were also other points in respect of which a more generous interpretation of the award was desirable, but the acceptance of the award as the basis of assessment for 1932-33 would not prevent an unprejudiced consideration of the issues involved when the assessments of 1933-34 are taken up.

The net result of the award over the industry as a whole might briefly be summarized as below :—

	Rs.
Tax paid in 1928-29, i.e., before the assessment was challenged by mills	11,22,000.
Under the Award :—	
Tax payable in 1929-30 and 1930-31 ..	10,33,000 per year.
Tax payable in 1931-32 and 1932-33 ..	10,98,000 per year.

(*Appendix* **3.**)

WATER TAX.

(*See pages* 15 *and* 124 *of Report for* 1930.)

Towards the middle of November, the Committee understood that the Standing Committee of the Corporation had under consideration the question of increasing the water tax levied on mills. The proposal was unfair in its application in so far as it sought to single out a particular class of

consumers paying by measurement and impose a heavier burden of taxation on cotton mills as compared with other consumers. Taking the figures of 1930-31, cotton mills of Bombay consumed about 1,220 million gallons of water out of a total of 30,000 million gallons brought into the city, and paid Rs. 7·65 lakhs by way of tax as against a total revenue of Rs. 64·76 lakhs derived from water tax. In other words, mills consumed only 1/25th of the total quantity of water brought into Bombay, but paid no less than 1/9th of the total revenue realized from the tax.

The injustice of the charge by measurement would be still more evident when the cost per gallon to the Municipality was compared with the rate charged by the Municipality to mills. The total cost of bringing 30,000 million gallons into the City during the year 1930-31 was Rs. 68·76 lakhs or about 3½ annas per 1,000 gallons, whereas the rate charged to the mills was 10 annas per 1,000 gallons. This difference was against the spirit of section 140 (*a*) of the City of Bombay Municipal Act, which laid down the salutary principle that the water rate should be one which would be deemed to be reasonable with reference to the expenses of providing a water-supply.

A letter was accordingly addressed to the Chairman of the Standing Committee of the Municipal Corporation in which the Committee pointed out that the charge for water by measurement should correspond very closely to the charge on the basis of valuation. Applying this criterion to the case of the Bombay Cotton Mill Industry, the charge for water on the rateable value of mill properties in Bombay, taking the recent valuation of about Rs. 90 lakhs as the basis (without deducting the trade depression allowance of 15 per cent. for the current year), would only come to Rs. 3·6 lakhs even at the higher rate of 4 per cent. which, it was understood, the Municipal Commissioner had proposed to impose on consumers paying water charge on valuation, whereas the estimated revenue from mills on the basis of measurement was 9·4 lakhs under the existing rate of 10 annas plus an additional sum of Rs. 48,000 from the higher rate proposed by the Commissioner. The mills would, therefore, be paying about Rs. 10 lakhs as water tax in 1933-34—an amount, which the Committee considered was far in excess of what they would have to pay on a valuation basis.

In his note to the Standing Committee on the budget proposals, the Municipal Commissioner had himself admitted the inexpediency of placing an additional burden of taxation on the Cotton Textile Industry and it was, therefore, surprising that he should have come forward at the same time with a proposal to increase the water rate payable by mills. The Committee further pointed out that the proposal to increase the water rate on valuation by ¼ per cent. was estimated to bring in Rs. 1·97 lakhs which would make a considerable reduction in the estimated deficit of Rs. 3·28 lakhs under water-works in the ensuing year. The remaining deficit could, it was suggested, be met by drawing on the balances—an alternative which the Municipal Commissioner had not overlooked as one capable of adoption. The Committee felt that the Commissioner would be amply justified in following this expediency, considering the fact that large surpluses were earned in the years prior to 1926-27 from water-works revenue which the Municipality was not entitled to under the Act.

The Commissioner's proposals, however, were finally sanctioned by the Corporation, and with effect from 1st April 1933 cotton mills in Bombay would have to pay water tax at 11 annas per 1,000 gallons instead of 10 annas. (*Appendix* **4.**)

MUNICIPAL WATER CHARGES—WATER USED FOR BUILDING PURPOSES.

Early in July, certain alterations or extensions involving building operations took place in the Crown Mills. The engineers in charge of the construction hoped to be able to finish the work within a very short time, and no separate meter connection was, therefore, requisitioned from the Municipality, water being used from the metered connection of the mills.

The total consumption of water by the mill during the half-year was 3,016,000 gallons, of which 967,000 gallons were used before the building work was taken in hand. This was charged for at the rate of 10 annas per 1,000 gallons, and the balance representing the quantity of water used for ordinary mill purposes after the construction work was commenced and for building purposes was charged for at the rate of 14 annas per 1,000 gallons. This, the authorities were strictly entitled to do, but the procedure was manifestly unfair, and the correct method would have been to charge the mill at the enhanced rate on the approximate quantity of water used for building purposes, which could have easily been ascertained by taking the difference in consumption in 1930 and 1931.

It subsequently transpired that the same mill contemplated the erection of a godown and smithy, costing in all Rs. 3,000, and applied to the Hydraulic Engineer for a temporary metered connection for this work. They were informed that the connection would be given, but that during the progress of the building operations, the rate of 14 annas per 1,000 gallons would be charged on the whole of the water consumed by the mill. In reality, it meant that if at any time a small building was being erected in a mill—and in large concerns like the cotton mills of Bombay building was almost always going on—the mill would be charged 40 per cent. more than the ordinary rates.

The matter was taken up by the Association at the instance of the Crown Mills, and as a result of the representations made by the Committee, the Municipality agreed to charge the mill's consumption of water as registered in the meter at 10 annas per 1,000 gallons, and the water used for building purposes by the contractor on the basis of the cubic contents of the building work actually done. The original demand made of the Crown Mills was accordingly amended. (*Appendix* **5.**)

POWER COSTS—CASH DISCOUNT.

(*See pages* 8 *and* 90 *of Report for* 1930.)

Towards the end of October, the management of the Tata Hydro-Electric concerns informed the Committee that with effect from 1st January 1933, a cash discount of 1 per cent. would be given on all bills paid within ten

days of the date of rendering to consumers taking supply under their T.-1 tariff. This information was communicated to all members in Bombay. (*Appendix* **6.**)

DUTY ON CONSUMPTION OF ELECTRICAL ENERGY IN THE PRESIDENCY OF BOMBAY.

Introducing his budget for the year 1932-33, the Hon'ble Sir Govind Rao Pradhan, Finance Member to the Government of Bombay, stated in the Bombay Legislative Council on 17th February that even with every endeavour at retrenchment, Government had been unable to balance the budget, and it was, therefore, necessary, for the sake of the credit of this Presidency, to resort to fresh taxation, in order to bridge over a part, at any rate, of this gap. The Finance Bill introduced on the same day contained, *inter alia*, a proposal to levy a small surcharge on the consumption of electrical energy used—though it was not made clear in the Bill—for lights and fans. It was further proposed that the duty should not be leviable on the units of energy consumed by Government or by a tramway company or by a railway administration or by or in respect of any concern, undertaking, institution, premises, body, person or any class of persons or thing which Government might exempt from payment thereof by a notification in the *Government Gazette*.

Moving the first reading of the Bill, the Hon'ble Member indicated that Government intended to send it to a Select Committee for examination. During the discussions that ensued, an attempt was made to restrict the life of the proposed legislation to one year, which, however, was negatived, and the first reading having been agreed to, the Bill was sent to a Select Committee of the House for report.

The report of the Select Committee was practically unanimous, in so far as the provisions of the Bill relating to the duty on electricity consumed was concerned. Briefly stated, what the Select Committee did was:

(1) They made it clear in the Bill that the proposed duty was to be levied only in respect of energy consumed for the purpose of lights and fans.

(2) The powers sought to be vested in the hands of Government as regards exempting particular classes of consumers from the operation of the Act by notification in the *Government Gazette* was withdrawn, and instead, a special schedule was added to the Act indicating in a general way the exemptions.

(3) All users of energy of 10 units per month and under were exempted from the duty.

(4) The life of the Act was restricted to one year from 1st April 1932.

The Bill, as amended by the Select Committee, was placed before the Legislative Council, and ultimately passed with minor alterations. The

limit of exemption proposed by the Select Committee was raised from 10 to 12 units, and the scale of duty in respect of certain classes of premises proposed by the Select Committee was also slightly revised. The Act came into force on 1st April 1932, and provides for the following scale of charges :—

(*a*) In respect of all premises not falling under head (*b*) below, and not specifically exempted in the Act—6 pies for each unit of energy consumed.

(*b*) In respect of all premises not exempted specifically in the Act and not falling in item (*a*) above when flat rates are charged by the licensee :—

	Annas per mensem.
For—	
every lamp of less than 30 watts	2
every lamp of 30 watts or more but less than 40	3
every lamp of 40 watts or more but less than 60	4
every lamp of 60 watts or more but not exceeding 100	6
and for every additional 15 watts or fraction thereof in excess of 100 in any lamp ..	1

Explanation.—In calculating the rate of duty under clause (*b*) every 10 watts shall be presumed to have consumed one and a half units during a month.

Schedule II to section 5 of the Act specified the following classes of consumers, undertakings or premises exempt from the duty :—

" (1) Government, save in respect of premises used for residential purposes ;

(2) a railway administration as defined in clause (6) of section 3 of the Indian Railways Act, 1890, save in respect of premises used for residential purposes ;

(3) a local authority, save in respect of premises used for residential purposes ;

(4) a tramway company, save in respect of premises used for residential and office purposes ;

(5) an industrial undertaking, save in respect of premises used for residential and office purposes ;

(6) a hospital or dispensary which is not maintained for private gain ;

(7) any consumer using not more than twelve units in any one month.

Explanation (1).—For the purpose of exemption (5) :—

(*a*) " industrial undertaking " means all buildings or premises wherein or within the precincts of which any manufacturing process is carried on ; and

(*b*) " manufacturing process " has the meaning assigned to it by section 2 (4) of the Indian Factories Act, 1911.

Explanation (2).—For the purpose of exemption (7) :—

(*a*) " Consumer " shall be deemed to include a landord or a person who shall supply electrical energy to one or two-roomed tenements in any one building in respect of any one of which tenements not more than twelve units of energy shall have been consumed during any one month ; and

(*b*) whether more than twelve units shall have been used by or in respect of any one tenement during any one month shall be determined by dividing the number of units used by the number of tenements in that building.

Towards the end of July, the Government of Bombay published for general information the draft of certain rules which they proposed to make in accordance with the powers conferred on them under section 11 of the Act. It was proposed under rule 10 that :—

" Where there are combined installations supplying energy both for :—

(*i*) power, and

(*ii*) lights and fans in respect of which electricity duty is leviable, or

wherever energy is consumed,

(*i*) which is exempt from electricity duty under any of the items of exemption specified in the schedule to the Act, and

(*ii*) for lights and fans in respect of which electricity duty is leviable,

the consumer shall install separate meters or sub-meters for indicating the two kinds of consumption separately."

The Committee were of the opinion that according to this rule, mills might possibly be called upon to install meters in the manager's office, time-keeping department and the stores department and in residential quarters inside the mill premises. The matter was, therefore, taken up with the Government of Bombay, and it was pointed out that the contemplated charge was unjustifiable, and could not have been within the contemplation of the Legislative Council when they amended the Act. Apart from that consideration, barring residential quarters for the staff, all departments in a mill must, the Committee thought, be regarded as essential parts of a manufacturing plant. Besides, the consumption of electric current in the departments referred to was so small that the income which Government would derive by taxing it would be negligible, and would not justify the expenditure which mills might be called upon to bear on the installation of meters. No reply to this communication was received by the Association from the Government of Bombay, but in the final Electricity Duty Rules published by Government, the following proviso was added to rule 10 :—

" Provided that if any consumer satisfies the Collector that the installation and operation of such separate meters or sub-meters involve cost disproportionate to the amount of electricity duty leviable from him per month, and furnishes to the Collector such data and information, which in the opinion of the Collector, in consultation with the Electrical Engineer to Government, is necessary for the assessment of the said duty the Collector may exempt such consumer from the requirement of this rule. A consumer exempted under this proviso shall communicate to the Collector every addition to the number, and every increase in the power, of lights and fans used by him within seven days of such addition or increase."

The Committee thought that while the addition of proviso to rule 10 might, to some extent, enable members to obtain some relief in the matter of its application to install separate meters in premises where the cost of such installation would be more than the amount of the duty realizable from them, it did not actually meet the requirements of the case. The definition of an industrial undertaking as given in the Act excluded " all buildings wherein or within the precincts of which any manufacturing process is carried out " from the operation of the Act, and it, therefore, appeared reasonable to

conclude that buildings and out-houses situated in a mill compound and used for complementary processes of manufacture and for other mill purposes connected with the actual process of manufacture should come within the definition of an industrial undertaking, and, therefore, exempted from the duty. A communication was, accordingly, addressed to the Government of Bombay, but so far no reply has been received to the point raised by the Committee.

For ready reference, the Bombay Finance Act of 1932, in so far as it relates to the duty on electricity, and the rules framed by the Government of Bombay under the Act have been reproduced in the appendix. (*Appendix* **7.**)

THE ROYAL COMMISSION ON LABOUR IN INDIA.

(*See page* 44 *of Report for* 1929.)

The Royal Commission on Labour in India appointed by His Majesty's Government in 1929, issued their report early in 1931. Their recommendations covered a very wide field, and touched on many aspects of the problems affecting the conditions under which industrial labourers work in India. The Commission recommended, for example :—

(1) An amendment of the Workmen's Compensation Act to provide, *inter alia*, for—

(*a*) enhancement of the scale of compensation ;

(*b*) reduction in the waiting period ; and

(*c*) extension of the application of the Act to workers hitherto not covered by it.

(2) An amendment of the Indian Factories Act to provide, among other things, for—

(*a*) a 54-hour week in perennial factories ;

(*b*) regulation and control of temperature in factories ; and

(*c*) a reduction in children's hours to 5 per day.

(3) An amendment of the Bombay Maternity Benefit Act to provide for—

(*a*) an increase in the maximum period for which a woman was entitled to receive benefits under the Act ;

(*b*) the fixation of the qualifying period of employment at 12 months, but in no case less than nine months.

(4) Legislation regarding deduction from wages and fines, prohibiting the fining of children, and prescribing the terms and conditions under which fines should be imposed and recovered in the case of others.

(5) Immunity from attachment for salaries and wages of all workmen receiving less than Rs. 300 per month.

(6) Abolition, at least so far as industrial workers in receipt of wages or salary of less than Rs. 100 per month, of arrest and imprisonment for debt, except where the debtor had been proved to be both able and unwilling to pay.

(7) Enactment of legislation to provide for a summary procedure for the liquidation of workers' unsecured debts.

(8) Besetting an industrial establishment for the recovery of debts should be made a cognizable offence.

(9) Fortnightly payment of wages to operatives employed in textile industries, railways and engineering workshops.

(10) Amendment of the Land Acquisition Act to provide that the housing of labour should be deemed to be a work likely to prove useful to the public, thus providing for the compulsory acquirement of the land where it was required for housing of labour.

(11) Amendment of the Trade Union Act to provide that, ordinarily not less than two-thirds of the officers of a registered trade union should be actually engaged or employed in an industry with which the union is concerned.

(12) A reconsideration of the Trade Union Act so as to ensure that the conditions attached to registration were not such as to prevent any well-conducted *bona fide* union from applying for registration.

(13) An examination by Government of the possibility of establishing permanent courts of enquiry in place of the *ad hoc* tribunals provided for in the Industrial Disputes Act.

In addition to the above recommendations—most of which involved amendments of the corresponding sections of the law at present in force, or the introduction of new legislation—there were also other recommendations, which called for decisions by employers or their associations, and those which could best be dealt with by employers or their associations in consultation with representatives of labour or their organizations. Under these heads might be grouped the following recommendations :—

(*i*) exclusion of the jobbers from the engagement and dismissal of labour ;

(*ii*) appointment of labour officers in each mill to control engagements, and to ensure that no dismissals were made without adequate cause ;

(*iii*) appointment of educated women supervisors, where women were engaged in substantial numbers, to control their engagement and dismissal;

(*iv*) grant of regular leave to workers and leave allowance after a period of approved service;

(*v*) establishment of creches in all factories employing not less than 250 women operatives, and the provision of first-aid boxes;

(*vi*) establishment of refreshment rooms and canteens in mills;

(*vii*) introduction of standardised wages in Bombay cotton mills;

(*viii*) establishment of closer contact between capital and labour by the formation of works committees, where there is a trade union;

(*ix*) organization of a joint machinery for the settlement of trade disputes;

(*x*) establishment of a joint scheme of unemployment insurance as outlined by the Fawcett Committee, where any comprehensive scheme for reducing staff is contemplated.

There were also other recommendations falling under this group, but it might be pointed out that even before the Royal Commission reported, most of their recommendations had been considered by the Committee of the Association, and where possible, action had already been taken in the direction indicated. Rapid progress in the matter of giving effect to those recommendations relating to the institution of welfare schemes on an extensive scale was, however, not found possible, as they involved financial expenditure, which would not be warranted by the state of the industry, but mills had been recommended to improve and extend the existing provision of creches rather than embark on other forms of welfare work.

As regards the standardisation scheme and those recommendations which involved joint action between the Association and representatives of labour, the Association's difficulties are well known: the continued hostile activities of the leaders of the Girni Kamgar Union even after the collapse of the 1929 strike resulted in the Association withdrawing recognition of the Union, and the setback in membership of other unions, really left the industry without any organization representative of labour with whom it could usefully carry on the negotiations which had so unfortunately been interrupted by the 1929 strike. As far as the Association itself was concerned, it had agreed to restore the cut in wages in the weaving department made in the original scheme, and to incorporate the dear-food allowance in the basic wages if labour leaders would in their turn co-operate in the introduction of the scheme. The Association had also agreed to consider an out-of-work donation scheme on the lines recommended by the Fawcett Committee if labour leaders would guarantee that workpeople would agree to contribute to the scheme a share

equal to that demanded of the employers. The Association had also agreed to the principle of setting up joint mediation machinery as recommended by the Fawcett Committee in the first instance and later on by the Royal Commission ; but as already stated, nothing resulted therefrom, as labour's co-operation, which was a condition precedent to the successful initiation of schemes of this character, was not available. Apparently, no improvement in the situation could be expected until the workpeople themselves realized the hopelessness of the situation brought about by the baleful influence exercised over them by a section of their leaders, and were prepared to adopt a more reasonable attitude. As a first step towards the realization of this object, a general policy towards labour as a means of improving the relations between the management and the men was laid down as early as 1930, and a certain amount of progress was also made ; but it is somewhat difficult to say whether in the near future, sufficient progress will have been achieved to make it possible for the Association to go ahead even with the very moderate reforms embodied in the standardisation scheme.

Mention was made in a previous paragraph that action in respect of some of the recommendations of the Commission involved legislative sanction. The matter had already been taken up by the Government of India in consultation with Provincial Governments ; but it is interesting to note that towards the middle of October, Mr. Syed Munawar moved the following resolution in the Bombay Legislative Council :—

" This Council recommends to Government to take early steps to give effect to such of the recommendations of the Royal Commission on Labour as do not involve Government into any expenditure regarding (*i*) improvement of humidification in factories ; (*ii*) abatement of dust nuisance in factories ; (*iii*) settlement of industrial disputes ; and (*iv*) penalty for loitering about industrial establishments for recovery of debts."

The resolution was opposed by Mr. J. B. Petit, the Association's representative in the Council, who urged that it was worded in too general terms to be capable of acceptance, and should, therefore, be rejected or postponed *sine die*. Government were also unable to accept the motion as it stood, and the Hon'ble Mr. W. F. Hudson, explaining their point of view, said :—

" I am sorry, I cannot accept it as it stands, although of course, it goes without saying that Government entirely sympathise with the object of the Honourable Member, and fully realize their responsibilities in regard to this important question. The first reason why we cannot accept the resolution is because, at any rate, in part it asks us to do things, which we are not competent to do. Secondly, it also involves very considerable expenditure on the part of the trade which, at the present moment, I am afraid, is not in a very flourishing condition ; and thirdly, it asks us to do something which we have already done.... As regards the activity of Government, I would first of all point to this extremely bulky volume, some of them very clear, some of them decidedly less clear, but all of them or nearly all of them requiring rather careful consideration. I would also point out to the Honourable Member that this is a matter which concerns not only the Provincial Government, but the Central Government, and that although as we know the mills of Government grind slowly, the mills of two Governments grind still more slowly ; and that is inevitable. This report was only published in March of last year, and....although the Hon'ble Member has confined his attention, perhaps quite naturally, to the four points which he considers the most obvious ones, the attention of this Government and the Government of India has been closely devoted to the consideration of a very large bulk of this report, and I do not think myself that a year

or fifteen months is at all too long a period for a careful consideration of matters which, as I say, involve not only the interests of the enormous industrial population of Bombay and elsewhere, but also involve very serious financial considerations both for Government and for the trade. Speaking generally then, what I wish to express to the House at present is that this matter is not being pigeon-holed or lost sight of, and that is what I expect the Hon'ble Member perhaps is afraid has happened."

Mr. Hudson then elaborated what had actually been done by the Government of India in the matter of giving effect to the Commission's recommendations. He mentioned that a Bill " to amend the Indian Factories Act " in the direction indicated by the Commission and including a provision for the control of temperature in factories was under consideration. Instructions, it would appear, had also been issued to the Factory Inspection Department to control the dust nuisance. Mr. Hudson further pointed out that the Government of Bombay were the first to utilize the Trade Disputes Act, and appoint a Court of Enquiry under Mr. Justice Pearson in regard to the textile labour dispute. He assured the House that if similar occasion arose in the future, Government could be relied on to take prompt steps in the same direction. At this stage, Mr. R. S. Asavle interrupting, asked " A permanent Court ? " to which Mr. Hudson promptly replied, "If the Hon'ble Member seriously thinks that we can maintain a permanent court in the present financial condition, I am unable to agree with him."

In view of the explanation given by Mr. Hudson, the resolution was, by leave of the House, withdrawn by the mover.

AMENDMENT OF THE INDIAN FACTORIES ACT.

Recommendations of the Royal Commission on Labour in India.

Reduction of the working week—Control of temperature in factories—Minimum height for children—Provision regarding water-supply—Creches—Shelter for rest—Rest periods—Maximum limits for overtime—First-aid appliances, etc.

The Royal Commission on Labour in India indicated the directions in which, they considered, an amendment of the Indian Factories Act was desirable. These were embodied by the Government of India in a draft Bill, which was circulated early in June.

An important change which the Commission advocated was a modification of the Act so as to discriminate in certain important matters between different classes of factories. They pointed out that all the substantive sections of the existing Act applied equally to a large factory employing thousands of persons with elaborate machinery and to a small one employing 20 persons working with simple appliances ; they applied equally to the factory working steadily throughout the year and to the factory which could work only for a brief season, with the result that if it was found necessary to regulate in any manner factories which did not use machinery, or which did not employ as many as 20 persons, the only method available was the application to them of the Act as a whole. The Commission further observed that the existing Act took too little account of the

differences between certain classes of factories, and one consequence of this defect was that in some directions, it had to be unduly elastic. They remarked that the Indian Factories Act of 1922 as subsequently amended, made little distinction between seasonal and non-seasonal factories, and considered that the former had secured in matters of exemption and enforcement an amount of latitude, which was not accorded to other factories. They, therefore, recommended the establishment of standards for several factories which might differ from those applicable to perennial factories, but which would be enforced with as much vigour as was applicable to the latter. Similarly, in respect of smaller power factories, few of which were regulated under the existing Act, the Commission recommended that, in place of the existing provisions, which gave local governments the choice between applying the whole of the Act or none, Government should be empowered to apply certain provisions automatically, with additional powers to apply other provisions as and when the need arose. For factories not using power, the Commission proposed a new and separate Act.

The recommendations of the Commission, therefore, fell under two groups, according as they involved the alteration of the law applicable to factories already subject to regulation, and the extension of regulation to factories which were at the moment unregulated. To the Government of India, it appeared, the latter group of proposals raised questions of difficulty, especially at a time when financial considerations made it impossible for them to contemplate any substantial increase in the strength of the factory inspection staff. Government, therefore, proposed to deal with only the first group of recommendations, i.e., those relating to such alterations in the law as did not involve any addition to the number of factories and workshops which would be subject to it, and the draft Bill had been framed accordingly.

By far the most important of all the recommendations of the Commission, which the draft Bill sought to legalise, was the reduction of hours applicable to perennial factories and the change in the provisions for exemption. The Commission, by a majority, recommended the reduction of the weekly limit of hours for perennial factories from 60 to 54. Sir Victor Sassoon in his dissenting minute had stated that the reduction of hours by statute, unaccompanied by any increase in efficiency on the part of the operatives, would result in a decrease in wages or increase in the cost of production. He, however, desired to see hours reduced, and those hours occupied more efficiently and intensively, but the only practical way in which he could envisage any reduction of hours in the Textile Industry without any dislocation was to attempt to shorten them, when the prosperity of the industry was such that a rise in wages was due. Such a rise in wages might, in his opinion, either entirely or partially be replaced by shortening of hours. He pointed out that in a mill run on efficient lines, a reduction of hours would inevitably lead to diminished production, and, at the existing rate of earnings, an increase of 7 to 8 per cent. in the cost of manufacture. To Sir Victor's minute, the majority appended a rejoinder which, in the opinion of the Government of India, clarified their position on the question.

As far as Government were concerned, there were two aspects of the case to be considered, viz., the effect of a reduction on the position of the operatives, and the effect of a reduction on the position of the employers.

As regards the operative, Government were of the opinion, there could be no question of his need for a shorter day and of the advantages he would gain, provided the reduction did not entail any undue monetary sacrifice. But the loss of an hour from the working day must mean, unless the operative could produce an equivalent amount in shorter time, or the employer was prepared to pay a higher rate of wages, a reduction in earnings. Government were aware that the majority of the Commission definitely contemplated a reduction in wages, at any rate at the outset, while in the opinion of Sir Victor Sassoon it would not be practicable to shorten hours in the Textile Industry without increasing wages to a corresponding degree. It was, however, doubtful if employers in any substantial section of industry could grant any appreciable increase, which was not earned by increased production; and if this was so, it seemed to Government, the possibility of avoiding dislocation by increasing wages rates could not be seriously considered. The majority of the Committee had observed that the general level of real wages had risen apparently owing to the fall in prices, and appeared to be substantially above the level which prevailed a few years ago. In consequence, Government thought a reduction in individual earnings could be made without bringing them back to that level.

As regards the effect upon the employers, Government considered there was one essential difference to be borne in mind. A reduction of hours was for the operative an absolute reduction; the number of hours available to him for production was definitely diminished, and his production could only be maintained by the attainment of a higher standard of work. On the other hand, for the employer the reduction need not be absolute. He had, in theory, the whole of 24 hours still available for production; in practice it should be possible for many employers by engaging additional operatives and adjusting hours of work, to reduce the hours of individual workers, while maintaining or increasing the hours of work, and provided the employer was not compelled to increase the wage rates, or to curtail the aggregate hours worked, the number of men who contributed to these hours was for him, in the opinion of Government, a matter of secondary importance. So far as Government were aware, the difficulty which confronted many employers in the past in connection with proposals to restrict the hours of work was that of finding adequate extra labour to compensate for the shorter hours of individual workers. That difficulty, it was pointed out, could hardly be said to exist at the moment, as, according to the information of Government, the supply of labour in most centres was more than adequate to any demand that was likely to arise as a result of a reduction of hours, and the distribution of the demand over a large number of workers might do something to alleviate hardship during the present time of stress. The Government of India did not doubt, therefore, that if the conclusion was reached that a reduction of the maximum hours was in the interests of the country as a whole, the present time was in several respects well suited to its introduction. They were, however, aware that a reduction in earnings was a serious matter for the operatives, and the necessary adjustments must be attended with some difficulty both for employers and for workers at any time, but whether the situation was examined from the point of view of the employers, employed, or of those seeking employment, there was at the moment a more favourable opportunity for effecting a change than there had been at any time in the

past. The Bill accordingly provided for a 54-hour week, but the Government of India pointed out that the inclusion of a provision in the Bill should not be taken as denoting that the Government of India approved of its principle, and they explained that the Bill was designed primarily for eliciting opinion.

Another important amendment which the Bill sought to make was in connection with the exemptions enjoyed by factories under the existing law. In Chapter IV of their Report, the Royal Commission on Labour recommended that exemptions should be :—

(1) based on more unanimous standards throughout India ;
(2) for specified periods with a maximum of three years ;
(3) reduced to the smallest dimensions possible ; and
(4) should carry with them wherever possible some benefit, not merely monetary, to balance the deprivation involved.

They further recommended that where weekly rest days could not be given, two rest days would be required at the end of the fortnight, or failing this, either a continuous period of rest of 24 hours once a week or of 48 hours once a fortnight. Section 30 of the existing Act prescribed the class or classes of work in respect of which exemptions might be given from provisions relating to weekly holidays, limitations in hours of employment, etc., and section 32 further empowered local Governments to exempt certain specified classes of factories from these provisions. Section 32 was omitted from the draft Bill for the reason that the Government of India were of the opinion that in so far as the factories mentioned therein satisfied the conditions mentioned in section 30 of the Act, they could secure the necessary exemptions and there was no justification for a wider latitude than that permitted by section 30. New sections were also added limiting the exemptions in respect of the period for which they were to be operative, to three years, and also to provide for maximum limits of overtime.

The Royal Commission had further suggested that, following the principle embodied in the British Factory Act, local Governments should be empowered in general terms to pass orders applicable to particular classes or groups of factories relating to welfare. What the Commission stated was that they had been impressed by the value of the welfare orders made by the Factory Inspection Department of the Home Office in Great Britain under section 7 of the Police, Factories, and Miscellaneous Provisions Act of 1916. These orders, they were informed, had increased the happiness and welfare of the workers in the industries affected while securing and retaining the co-operation and good-will of the employers. They, therefore, recommended that local Governments be empowered under the Factories Act to issue welfare orders to classes or groups of factories. The type of welfare they had in mind covered such matters as washing facilities, ambulance and first-aid requirements, arrangements for taking meals and allied matters. They further proposed that in the event of any dispute as to the reasonableness of the requirements set out in the order, there should be authority for the matter to be laid before a referee, selected according to the rules made under the Act. " Welfare " was a wide term, but the Commission had given some indication

of the variety of subjects, which should be included under this head ; but the Government of India were provisionally opposed to such a wide extension of the rule-making powers as this recommendation would involve. They, however, considered it desirable and more in consonance with the principle underlying the Act that fresh requirements of the kind regarded by the Commission as desirable should have the approval of the Legislature, and should not be imposed on factory-owners by the executive authority. While, therefore, they embodied in the draft Bill amendments to carry out the specific recommendations of the Commission in respect of welfare, they did not provide for any such general order-making power as the Commission contemplated.

In communicating their views on the draft Bill to the Collector of Bombay, the Committee of the Association pointed out that they were compelled to oppose the very important amendment relating to hours of work for adult employees in perennial factories. They made it clear, however, that their opposition to a reduction in the length of the working week for adult operatives was in no way dictated by a desire to retain a 60-hour week in perpetuity. They indeed welcomed the reduction in the working week as laid down in the Bill so far as the Cotton Mill Industry was concerned, provided similar hours of work were also enforced in mills in Indian States, and some means could be devised whereby the consent of the workers themselves could be obtained to the new system, which conferred on them the benefits of greater leisure, but which at the outset at any rate, would reduce their daily earnings. What the Committee objected to was that employers should be compelled by legislation to enforce a reform, which employees in many industries would not be willing to accept. As far as the Cotton Textile Industry of the country was concerned, the Committee were definitely of the opinion that a 54-hour week, which entailed even a temporary reduction in daily earnings, could not be put into operation except in the teeth of the strongest opposition from the workers, and to their mind the important question for the Government of India to decide was whether there was any justification for asking employers to face the alternative of fighting a prolonged strike or increasing their costs of production by raising wage rates so as to ensure to the workers something approaching their existing earnings. Where, as in the case of the Textile Industry, particularly that of Bombay, wage rates were already relatively high, the financial position of the industry and its competitive capacity *vis-a-vis* foreign manufacturers was such that the possibility of adopting any measure which would in any way increase the costs was out of the question.

The Royal Commission had themselves admitted the possibility of decrease in earnings as a result of the reduction in hours, but they observed that it need not be permanent and " with greater time for genuine relaxation many workers would probably require shorter holidays and fewer days of absence than at present, and could thus reduce the loss which these breaks impose on them." The Committee pointed out that the argument used by the Commission had been seriously considered by the Association ever since their report was published, but their conclusion was that the loss in earnings by individual operatives could not be so readily made up unless schemes involving the allocation of more looms and spindles per operative were generally introduced. As the Government of Bombay were themselves

aware, the attempt to introduce such schemes in the industry as a whole had to be given up after the prolonged strikes of 1928 and 1929, and since then, the Committee were not aware of any change in the attitude of Bombay's labour force, which would justify a further attempt being made to introduce these measures. The Government of India had pointed out that so far as the employer was concerned, the reduction in hours was for him not absolute. They had further stated that the employer had in theory the whole of 24 hours available for production, and provided the wage rates were not increased, and the aggregate working hours not restricted, the number of men who contributed to these hours was for him a matter of secondary importance. In other words, what Government wanted to convey was that the loss in production arising out of a reduction in hours could easily be made up by working more than one shift. The Committee pointed out that the question as to whether mills could make up their loss in production by a system of shifts and thus prevent a rise in the cost of overheads per unit of production was a minor matter compared with that of labour costs per unit of production. Where more than one mill was controlled by the same mill company, it might, in the opinion of the Committee, be possible to arrange for one mill in the group to work two shifts and the remainder one shift, but taking the industry as a whole, it would hardly be feasible to introduce a simple and workable system of shifts which would not considerably increase the total output of the industry, and any substantial increase in production at the moment would make the problem of marketing that production in India even more difficult than it had ever been in the past.

The Committee's criticisms in regard to the other amendments were as below :—

Clause 9.—It was proposed to empower local Governments to prescribe the minimum height to be attained by children seeking employment in factories or in any class of factories, and when such a standard was prescribed, no child failing to attain it should be certified as fit for employment in a factory. The Committee were at a loss to understand how height could by any means be taken as an indication of physical fitness or suitability for employment in a factory, and they felt there was absolutely no need or justification for provincial Governments to lay down standards of heights.

Clause 13—*Humidity.*—It was provided under the existing law that " the atmosphere in a factory shall not be rendered so humid by artificial means as to be injurious to the health of the persons employed therein." It was proposed to amend this section by adding the words " or to cause serious discomfort to them." The Committee were opposed to the amendment as they thought it was too vaguely worded, and factories might be put to serious inconvenience by factory inspectors being allowed to decide whether the atmosphere in a factory was so humid as to cause serious discomfort to the operatives. It was, therefore, urged that in matters like this, definite standards capable of practical application should be laid down by Government, and that it should not be left to the option of factory inspectors or to individuals to say that the atmosphere in a particular factory was such as to cause serious discomfort.

Clause 15—*Cooling power of atmosphere in factories.*—The draft Bill also provided :—

" If an Inspector specially authorised by the local Government in this behalf is of the opinion that the cooling power of the air in a factory is at times insufficient to secure operatives against danger to health or serious discomfort and that it can be appreciably increased by measures which do not involve an amount of expense which is unreasonable in the circumstances, he may serve on the manager of the factory, a notice specifying the measures which in his opinion should be adopted and requiring him to carry them out before such date as may be specified therein."

It might, in this connection, be recalled that in 1925 and again in 1926, amendments were sought to be made in the Factories Act to provide that a " reasonable " temperature must be maintained in all factories. On these occasions, the Committee of the Association agreed with the principle underlying the amendments, viz., that a standard should be laid down to regulate temperature in factories, but they were, at the same time, of the opinion that the only satisfactory solution of the problem was that provincial Governments should not be empowered to lay down standards of temperature for particular factories without consulting the interests concerned. The Committee still adhered to this view. Clause 15 as drafted, sought to leave it to factory inspectors to decide whether the cooling power of air in a factory was satisfactory or not, and whether the expenses involved in carrying out measures for increasing the cooling power was reasonable or not. The report of the Select Committee who examined the amendments proposed in 1925 and 1926, and on whose recommendation the Legislature rejected the particular measure, afforded the best possible criticism to the amendment now proposed. Even the Government officers who were on the Select Committee made a separate minute, pointing out that there were obvious dangers in leaving it to inspectors to decide what constituted a reasonable temperature. It was, however, further provided in the Bill under consideration that the order of the inspector was subject to appeal, but the Committee still maintained that the proposal was objectionable and might prove vexatious.

Clause 19—*Provisions regarding water-supply.*—It was proposed :—

" A sufficient and suitable supply of water for washing and facilities for its use shall be maintained for the use of persons employed in any factory in processes involving contact with poisonous or obnoxious substances."

This clause was apparently inserted on the recommendation of the Royal Commission, who stated that " for workers in dirty processes (e.g., tanneries) provision of washing places and water should be made compulsory." The Committee stated that it would be better if the amendment specified the particular industries to which it was applicable.

Clause 20—*Shelters for rest.*—The clause referred to reads as below :—

" In every factory in which more than two hundred and fifty persons have been employed on any day in the preceding twelve months an adequate shelter shall be provided for the use during rest periods of the persons employed."

The Committee agreed that there should be suitable sheds where the operatives might take their meals. Such sheds, however, had been erected in certain mills, but were not utilized by the operatives for the purpose for which they were intended, as they were in the habit of taking their food in any place they liked. In the opinion of the Committee, therefore, there was no necessity for making it obligatory on factory-owners to erect such sheds. It was also pointed out that in several mills there was no space available for them, and it was submitted that in matters like this a free hand should be given to factory-owners, who might be depended upon to do what was feasible for the comfort of the workmen.

Clause 31—*Rooms for children.*– The Bill proposed that :—

"In every factory in which on any day in the preceding twelve months more than two hundred and fifty women have been employed, a room shall be reserved for the use of the children of women employed in the factory."

Creches had been extensively introduced in the cotton mills of Bombay Presidency, and it was thought that if they were to be made compulsory by legislation there would be a marked deterioration from the high type of creches now maintained by mills. The clause, as it stood, was very bald, and it made no suggestion regarding supervision of creches, etc., and the Committee believed that the progress made in welfare work so far would meet with a serious set-back if legislation was to be enacted for enforcing such things as creches, etc. It was pointed out that much better and more satisfactory progress could be made in welfare work by voluntary efforts than by legislation ; if, however, it was the function of an outside agency to provide facilities for workers' children it was a responsibility which must be shouldered by the local Municipality or the State and it could not, in justice, be foisted on employers. Those employers who had voluntarily spent and were spending large sums for the upkeep of these institutions would, it was thought, resent, as a matter of principle, intervention by Government, and the eventual result of such legislation would be to defeat the very object for which it was introduced.

Clause 32 (2)—*Rest periods and spread over.*—The clause in question read as below :—

"The hours of work for every person employed in a factory shall be so arranged that he is not required to work during any part of a continuous period of eleven hours in every twenty-four hours, and this period shall, in the case of women and of persons under sixteen years of age include the hours between 10 p.m. and 5 a.m."

The Committee considered that the clause with its proviso regarding the period of 11 hours during which an operative must compulsorily be away from work was likely to prove obstructive if systems of interlocking shifts similar to those of the jute mill industry ever became popular in other industries, and were of the opinion that no such restriction was necessary in the case of adult males. They, however, suggested that the period of 11 hours should be reduced to 8 hours in the case of adult males so as to ensure night rest to male operatives so essential for their health and would also provide adequate hours of rest during the day.

Clause 48—*Maximum limits to overtime.*—It was proposed in clause 48 that :—

"The local Government shall prescribe maximum limits to the additional hours which may, by virtue of any exemptions granted under this chapter, be worked and thereupon any exemptions so granted shall be deemed to be subject to the limits so prescribed."

The Committee held that no case had been made out by the Government of India for the insertion of a clause of this nature. In their opinion even the Whitley Commission did not appear to have made any such recommendation. Overtime was resorted to only in exceptional circumstances, and higher rates of wages had to be paid for it, and it was, therefore, hoped that Government on a reconsideration would recognize the inadvisability of putting any restrictions on overtime working at least so far as adult male operatives were concerned.

Clauses 51 *and* 52.—It was stated in the notes appended to the draft Bill that the existing provisions in regard to the maintenance of the register of workers, hours of work, nature of employment, etc., had given some difficulty in both administration and interpretation, and had been recently the subject of considerable criticism from the Calcutta High Court. Clauses 51 and 52 represented a redraft and rearrangement of the existing provisions ; but if it had merely been a question of redrafting and rearranging the existing sections, the Committee would not have raised any objection, but they found that while under the existing Act a copy of the alterations in the notice and standing orders had to be sent to the inspector within 36 hours and his permission for alterations was not required, it was proposed under the new clauses that the inspector's permission should be obtained and a copy of the notice should be sent to him *before* the change was made. It was further proposed that when an alteration was once made, factories were to be debarred from making further alterations for a period of three months.

The Committee maintained that the proposed alterations were most objectionable and even impracticable. It was pointed out that circumstances might arise after an alteration in the standing orders to justify a further alteration and it would be unreasonable to expect factory-owners to wait for three months before making a fresh alteration. Except as regards standing orders dealing with such matters as hours of work, etc., the Committee failed to see why factory inspectors should be made judges of the desirability or otherwise of the different rules which made up the standing orders. The amendment was, in the opinion of the Committee, altogether misconceived and the desirability of maintaining the *status quo* as regards notifying the factory inspectors regarding standing orders, etc., was urged.

Clause 54—*First-aid appliances.*—It was proposed to confer on local Governments powers to make rules to provide, *inter alia*, for the provision and maintenance of first-aid appliances. In this connection it was pointed out that in most of the textile mills medical dispensaries were maintained and these dispensaries were attended by a whole-time compounder and a whole- or part-time doctor who gave first-aid assistance in case of accidents, and it would, therefore, appear to be unnecessary to frame rules regarding the provision and maintenance of first-aid boxes.

A European lady with considerable practical experience of welfare work in England had been employed by the Association to give member mills the benefit of her experience and guidance. She had pointed out that at times first-aid boxes were likely to constitute a definite danger unless under qualified supervision as they might be made the excuse for not taking proper medical advice, and the perfunctory attention given might lead to complications afterwards. This was a point worth consideration by Government. Considerable progress had also been made during the last two years by the voluntary efforts of this Association in conjunction with some of its members in the matter of training workpeople to render first-aid, and the Committee, therefore, maintained that Government would be well advised not to legislate in view of the progress made on a voluntary basis.

Clause 55.—It was proposed under this clause that the Governor-General in Council might make rules requiring occupiers or managers of factories to furnish, among other things, annual returns relating to the wages paid in factories. Unless it was definitely laid down what particulars employers were expected to give, the Committee felt they should oppose the provision, which appeared to confer unnecessarily wide powers on Government. So far as the Bombay cotton mills are concerned, the Association had always given every facility to the Labour Office in conducting a wage-census on three different occasions, and the Committee had little doubt that other leading industrial associations would likewise offer friendly co-operation to Government officers in compiling statistics and information regarding wages paid in those industries. In this way, far more useful information might be gathered than merely calling upon factories to furnish annual returns regarding wages, and the Committee were strongly opposed to the insertion of this new and vaguely-worded clause in the Factories Act.

The Committee's views on the Factories Bill were followed up by a special representation to the Government of Bombay drawing their attention to the objections which the Association had put forward against the proposed reduction in the length of the working week. It was pointed out that while willing to adopt a shorter working week, which would not involve a higher labour expense per pound of cloth or yarn produced, the Committee were satisfied that in Bombay City and Island, at any rate—and probably in many other centres of production also—the workers would not be prepared to make any sacrifice in their earnings. This being the case, the reform anticipated in the Bill could not very well be enforced without prolonged and bitter strife between employers and employees, since it was well known that the Cotton Mill Industry could not at the time afford to pay higher wage rates. The great losses which the industry in the City and Island had to bear during the last decade owing to labour troubles and foreign competition was well known to the Government of Bombay, and the Committee, therefore, urged that they should oppose the proposed reduction in the length of the working week unless they were convinced that a reduction in hours accompanied by a corresponding reduction in earnings would be acceptable to the workers themselves.

The Committee were convinced that it was only by the maintenance of peaceful conditions that the prosperity of the Cotton Textile Industry of this country, and particularly of this Presidency, could be rehabilitated, and

they hoped that the undesirability of proceeding further with the proposal would be impressed upon the Government of India by the Government of Bombay. (*Appendix* **8.**)

EXEMPTIONS UNDER THE PROVISIONS OF THE INDIAN FACTORIES ACT.

(*See pages* 29 *and* 161 *of Report for* 1923.)

In exercise of the powers conferred on them under section 32A of the Indian Factories Act, the Government of Bombay had exempted as long ago as 1923, from the provisions of section 27 (60-hours week) and section 28 (eleven-hour day) the work performed by oilers and operatives employed in the mechanic shops, foundries, smithies, etc., provided that no person was employed for more than 72 hours in any one week or 12 hours in any one day. It appeared that the Chief Inspector of Factories, Bombay, had been requested by Government to review the exemptions granted under the Factories Act so that employment of individual workers for hours exceeding the ordinary limits laid down in the Act, viz., 11 hours a day or 60 hours a week could be reduced to a minimum. The exemptions had not been utilized to any great extent in the Textile Industry, and the Chief Inspector of Factories, therefore, enquired of the Committee whether he could recommend their cancellation. He pointed out, however, that in the case of work on urgent repairs, as opposed to ordinary maintenance work, special exemption could be granted by him under the provisions of section 30 (3) of the Act.

The Committee stated that they had no objection to the proposed cancellation of exemptions hitherto granted to oilers, and to workers in mill's mechanic shops, etc., from the provisions of sections 27 and 28 of the Indian Factories Act. (*Appendix* **9.**)

LICENSING OF GINS AND PRESSES.

(*See pages* 41 *and* 215 *of Report for* 1923.)

The question of licensing gins and presses was before the Committee in 1923, when they held the view that the idea of all-India legislation for the licensing of gins and presses should be abandoned until such time as the effect of the measures comprised in the Cotton Transport Bill, combined with the necessary legislation providing for the adequate marking of bales, the compulsory maintenance of the necessary records in press-houses, and the compulsory submission of statistical returns can be accurately observed. They were, however, of the opinion that the Cotton Ginning and Pressing Factories Bill, which was then under consideration of Government, should contain a clause empowering local Governments to introduce a system of licensing gins and presses, it they were satisfied that such a measure was necessary. The Cotton Ginning and Pressing Factories Bill finally introduced in the Legislative Assembly contained no such provision : it was omitted presumably in order not to prejudice the chances of the entire Bill, and the

Indian Central Cotton Committee—who seemed to have been always in favour of licensing—apparently accepted the position, as they believed that the Bill would enable them to decide at a later stage whether the question of licensing would have to be taken up or whether the Bill as framed would adequately check malpractices such as fraudulent mixing, watering of cotton, etc. Continued complaints regarding abuses and malpractices and criticisms on the working of the Cotton Ginning and Pressing Factories Act were subsequently received by the Indian Central Cotton Committee who, on a careful consideration of all the facts of the case, were generally of the opinion that much of the adverse criticism would disappear if the Act were tightened up by a system of licensing gins and presses working in British India.

The Committee of the Association who were invited by the Indian Central Cotton Committee to express an opinion on the subject stated that they were convinced that the malpractices complained of could not be prevented unless and until cotton gins and presses all over the country were compelled by law to take out licenses. This appeared to them to offer the most practical approach to a solution of the problem. They pointed out, therefore, that, if these evils, which were to be traced in most cases to ginneries, were to be checked and the grower of cotton assured of a fair return for his crops, it was essential that the legislation contemplated should have effect throughout India instead of being made applicable to particular provinces. (*Appendix* **10.**)

THE WORKMEN'S COMPENSATION ACT—AMENDMENT.

(*See pages* 40 *and* 259 *of Report for* 1929.)

The Workmen's Compensation Act of 1923 was experimental in character, and certain proposals for its amendment made from time to time by various authorities and interests were referred by the Government of India to various associations and chambers of commerce for opinion in 1929. These opinions were furnished to the Royal Commission on Labour who, after reviewing the question in the light of further evidence placed before them, made a number of recommendations on the subject in their report.

A Bill to further amend the Workmen's Compensation Act, introduced by the Government of India in the February session of the Legislative Assembly, was intended to give effect to these recommendations, and was circulated for opinion towards the end of March.

The principal amendments sought to be made by the Bill were :—

(*i*) the inclusion of widowed daughters and widowed sisters in the list of relatives of a deceased workman to whom a share in the compensation might be allotted by the Commissioner ;

(*ii*) a general enlargement of the various existing classes of workmen entitled to receive compensation ;

(*iii*) a reduction of the " waiting period " ;

(*iv*) increased scales of compensation ;

(*v*) the abrogation of the employers' right to refuse compensation in case of fatal accidents even though it was caused by the workman's negligence, or wilful disobedience of orders or safety rules.

While the Committee generally agreed with most of the amendments proposed, they felt there was no justification for an all-round increase in compensation as recommended by the Whitley Commission especially as the Commission had not advanced any specific reasons nor was it contended that there had been any great increase in the cost of living of the working classes since 1923. On the contrary, according to the working-class cost of living index, which had fallen from 155 in 1925 to 110 in 1931, living, so far as Bombay was concerned, was substantially cheaper for the working classes. Wages in the Bombay Cotton Mill Industry had risen by more than 100 per cent. all round between 1914 and 1925, and had since remained at that level. The effect of increasing the rates of compensation would, therefore, be to raise the money-value of the compensation payable by the industry by about 30 per cent. although the cost of living had decreased by more than 30 per cent. since 1925.

In cases of temporary disablement, the Bill proposed, in addition to raising the maximum half-monthly payment from Rs. 15 to Rs. 30, to increase the rate of compensation in the case of adults whose monthly wages did not exceed Rs. 30, to two-thirds of the monthly wages, and in the case of minors, to full wages. This, in the opinion of the Committee, was uncalled for in view of the fact that although the cost of living was practically the same, an operative whose wages did not exceed Rs. 30 would receive by way of compensation 50 per cent. more than what he would have earned when working full-time in 1914.

Another effect of the Bill would be to enhance considerably compensation payable for death and permanent disablement in the case of the more poorly-paid workmen and those in receipt of high wages. It was difficult to understand why these particular classes of workmen should have been singled out for special treatment apart from other classes of workmen.

The proposal to fix the minimum compensation payable for death and permanent total disablement at Rs. 600 and Rs. 840 respectively in the case of adults earning less than Rs. 18 appeared to the Committee to introduce a principle unknown to the existing Act. They were of the opinion that the tendency to malinger, which was noticeable even under existing conditions would increase considerably with the knowledge that compensation would be payable at a much higher rate if it could be shown that injuries were likely to be permanent. It was pointed out that in such cases employers would be called upon to meet claims for permanent disablement even where, with suitable treatment and proper care, the effects of the injury might be considerably reduced, if not altogether removed in course of time.

The Committee also failed to see why compensation payable to workers earning more than Rs. 80 but not more than Rs. 200 should be increased to the extent proposed in the Bill. A man earning Rs. 81 was entitled to

Rs. 3,500 for permanent disablement under the existing Act, but would receive Rs. 4,200 if the Bill became law. A supervisor earning Rs. 105, if permanently disabled, received a maximum of Rs. 3,500 now, whereas he would get Rs. 5,250 under the Bill.

Another proposal which the Committee considered was inequitable was the proposal to pay compensation on the *highest* wage of the different wage-classes into which operatives were divided and not, as at present, on the *mean* wage of the class. The result, it was pointed out, would be to considerably enhance the amount of compensation payable to workers earning a lower wage in each class. In nine cases out of ten, employers would have to pay compensation on the *highest* wage of the class to men earning lower wages in that class. It was, therefore, submitted that it would be fairer to employers and just to workpeople to calculate compensation on the *mean* wage of the class than on the highest wage of the class.

The Bill was taken up for consideration in the Assembly on 16th September 1932, when the Hon'ble Sir Frank Noyce, Member for Industries and Labour, moved the appointment of a Select Committee to consider and report on the Bill. Speaking on the motion, the Association's representative, Mr. H. P. Mody, who was also included in the Select Committee, pointed out that so far as the principle of the Bill was concerned, he welcomed it. What he objected to was the fact that the recommendations made by the Whitley Commission seemed to have been bodily taken and incorporated in the Bill. So far as he was aware, " barring a very few labour organizations, the overwhelming majority of all those who have given evidence (before the Whitley Commission) have definitely said that the present scales of compensation were adequate and should not be increased except in certain minor particulars." His grievance, therefore, against the recommendations of the Commission was that it had gone out of its way to make recommendations which were not warranted by the evidence which was laid before it.

The motion for reference of the Bill to a Select Committee was carried, and it was understood that the Bill as it emerged from the Select Committee would be presented to the Assembly early in 1933. (*Appendix* **11.**)

EMPLOYERS' LIABILITY.

In connection with their observations on the Indian Workmen's Compensation Act, the Royal Commission on Labour in India pointed out that the existing law applicable in a suit for damages against an employer brought by a workman in respect of injuries sustained, was inequitable, because in their opinion, two defences might be invoked by the employer to defeat claims which he should justly be called upon to meet. One was the defence of " common employment " by which an employer could plead that an accident was due to the default of a fellow-workman, and the other was the defence of " assumed risk " by which an employer was not liable for injury caused to workmen through the ordinary risks of employment, and a workman was presumed to have assumed risks which were apparent when he entered upon his occupation.

In this connection, it will be remembered that the Workmen's Compensation Bill originally introduced in the Assembly in 1923 contained clauses designed to abrogate these defences in certain cases, but the joint Select Committee of the Legislature, to whom the Bill was referred, deleted the clauses in question, apparently because they were not satisfied that the doctrines referred to by the Commission, which were derived from the British Common Law, would be accepted by Indian Courts. They observed, at the same time, that if the doctrines in question were so accepted and were regarded as inequitable, they should be removed for *all* workmen and not for the limited classes to which the Workmen's Compensation Bill was to apply. On the whole, therefore, they were of the opinion that it was wiser to restrict the scope of the 1923 Bill to workmen's compensation and to avoid anticipating a difficulty which might not arise.

The Commission admitted that they had very little evidence before them to show that the existing law gave rise to hardship, but they thought that it was possible that suits were not pursued because of the admitted ambiguity of the law, and as the defences in question were, in their view, inequitable, they held there was need for ensuring that they could not be invoked. What the Commission, therefore, recommended was (subject to a dissenting minute by Sir Victor Sassoon and Sir Alexander Murray) that a measure for this purpose should be enacted and that it might follow the lines of the clauses deleted in 1923, but made applicable to all classes of workmen.

Sir Victor Sassoon and Sir Alexander Murray adhered to the views expressed by the Select Committee in 1923. In their opinion, nothing had happened since 1923 to justify legislation of the type suggested, and they considered that the substantial increases in the scales of compensation and the wide extension of the scope of the Workmen's Compensation Act recommended by the Commission would not only reduce any need there might be for such legislation, but would also form the correct line of advance in social legislation of this kind.

Towards the end of February, the Committee were requested to express an opinion on the above findings of the Commission. It appeared that the Government of India themselves were in favour of a clarification of the law, and were inclined to the view that legislation on the lines proposed by the Commission was desirable; but so far as most of those workmen to whom the Workmen's Compensation Act was applicable were concerned, they agreed with the view expressed by Sir Victor Sassoon and Sir Alexander Murray. They, therefore, suggested that consideration should be given to the possibility of limiting the scope of the proposed measure so as to exclude all workmen covered by the Workmen's Compensation Act, or, in the alternative, to include only such of those workmen who were in receipt of more than Rs. 300 per mensem.

The Committee of the Association did not understand the Commission's reasons for making the proposal when they themselves stated that little evidence had been produced before them to show that the existing position gave rise to hardship. Government's proposal to limit the scope of the

proposed legislation so as to exclude all workmen covered by the Workmen's Compensation Act, or, in the alternative, to make it applicable only to those workmen who were in receipt of more than Rs. 300 per mensem, was, in the opinion of the Committee, unnecessary, for, in either case, Government would be legislating only for a very small class of operatives. In the opinion of the Committee, workers drawing more than Rs. 300 must necessarily be sufficiently educated and intelligent, and did not need special protection, which it was sought to give them by special legislation. (*Appendix* **12.**)

BOMBAY MATERNITY BENEFITS ACT, 1929.

(*See pages* 33 *and* 227 *of Report for* 1929.)

Early in December 1931, the Government of Bombay requested the Committee's views on the question of amending the Bombay Maternity Benefits Act, 1929. It had been suggested to Government that the Act should be amended in the following respects :—

(*a*) The existing maternity benefit of 8 annas per day appeared to be appropriate only to Bombay City and Ahmedabad. It was, therefore, suggested that the benefit should be at the rate of 8 annas per day *or at the rate* of the average daily earnings *whichever was less.*

(*b*) The maximum period for which a woman was entitled to benefit under the Act, should be raised from 7 to 8 weeks as suggested by the Whitley Commission.

(*c*) Section 5 of the Act laid down that a woman should not be entitled to maternity benefit unless she had been employed in the factory of the employer from whom she claimed maternity benefit, for a period of not less than six months immediately preceding the date on which she notified him of her inability to work. It was suggested that this qualifying period should be raised to nine months as recommended by the Whitley Commission.

(*d*) In calculating the average daily earnings, the money value of grain concession where it was allowed should be taken into account, and that the daily rate should be worked out to the nearest quarter of an anna.

(*e*) In the Central Provinces, the average daily earnings of a woman was calculated on the total wages earned by her during a period of three months immediately preceding the date of her confinement. It had been urged that the earnings of a woman worker especially declined in the days of advanced pregnancy and that, therefore, the date on which a woman notified the employer of her forthcoming confinement should be the end of the period over which wages should be calculated.

(*f*) The payment of maternity benefits by instalments as contemplated in the Bombay Act, it had been pointed out, would be unobjectionable if the women workers remained in their place of employment; but many

appeared to go to some remote part of the mofussil for their confinement, and it was suggested that in such cases the substitution of a lump-sum payment should be legalized.

(*g*) The other suggestions were of a minor character, and were designed to prevent duplication of work in the maintenance of statutory registers, etc.

As regards amendment (*a*), the Committee were of the opinion that the payment of maternity benefit at the existing flat rate of 8 annas per day had worked very well in practice, whereas the proposal to make it permissible for mills to pay it either at this rate or at the average daily earnings whichever was less would introduce unnecessary complications and involve considerable administrative difficulties. In addition, it was thought, workers would be considerably inconvenienced by not knowing exactly the amount of maternity benefit they would be entitled to receive. The Committee were also of the opinion that it would be extremely difficult to ascertain the wage rates in mills in non-urban areas as, so far as they were aware, there existed no simple or effective means of checking earnings.

The Committee agreed with Government as regards the amendments proposed in paragraphs (*b*), (*c*) and (*d*).

As regards paragraph (*e*), the Committee pointed out that if Government considered it desirable to give effect to the suggestion to vary the rate at which maternity benefit should be paid, the Association would favour the adoption of this amendment which would provide that the rate at which benefit should be paid should correspond with the average daily earnings of the woman for the three months prior to the date on which she gave notice.

It was considered that it would be undesirable to introduce the principle of a lump-sum payment in maternity benefits for the reason that this would be frittered away in a number of ways, e.g., in paying debts, buying ornaments or in feasting, and the woman and child for whose benefit it was given might not get anything from it, and the main object of the gratuity, which was to enable the woman to meet the necessary expenses at such times, would be defeated. The Committee approved of the proposal made regarding muster-rolls.

The Maternity Benefits Act of 1929 provides for the payment of benefits in three instalments ; the first instalment relating to the three weeks prior to birth, to be paid within 48 hours of birth ; and two equal instalments at fortnightly intervals for the four weeks after birth. There is no provision in the Act to provide for the payment of any benefit before birth. It was represented to the Committee that it would be desirable to provide a woman with some portion of her maternity benefit a few weeks before birth rather than to pay her the whole amount after birth, to enable her to use the amount for ante-natal or any other special food, treatment, or attention which she might require prior to confinement. Such payments were perhaps not so necessary in Bombay where special facilities existed for ante-natal and other special treatment, but they might be a boon in other parts of the Presidency. The Committee, therefore, suggested for the consideration of Government that

payment of maternity benefit for the 3 or 4 weeks before birth might be made permissible on production of a certificate from a qualified medical practitioner certifying the pregnancy of the woman and the approximate date of confinement. (*Appendix* **13.**)

INDIAN FRANCHISE COMMISSION.

Representation of the Indian Textile Industry in the Federal Assembly.

(*See pages* 62 *and* 237 *of Report for* 1931.)

It was stated on page 62 of the Association's Report for 1931 that a special sub-committee of the Indian Round Table Conference, under the chairmanship of Sir William Jowitt, examined the main principles on which franchise for men and women was to be based, and recommended, *inter alia*, "the appointment of an expert Franchise Commission with instructions to provide for an immediate increase in the electorate so as to enfranchise not less than 10 per cent.—but not more than 25 per cent. of the total population —if that should, on a full investigation, be found practicable and desirable."

Accordingly, the Indian Franchise Commission, under the chairmanship of the Marquess of Lothian, the then Parliamentary Under-Secretary of State for India, was constituted in December 1931, a few weeks after the adjournment of the second Round Table Conference. The Commission's terms of reference were not separately set forth, but in a letter explaining the aims and objects of the Commission, addressed to Lord Lothian, the Prime Minister explained :—

"The principle of a responsible Federal Government, subject to certain reservations and safeguards has been accepted by His Majesty's Government while it has been decided that the Governors' Provinces are to become responsibly governed units, enjoying the greatest possible measure of freedom from outside interference and dictation in carrying out their own policies in their own sphere. In these circumstances, it is clearly necessary so to widen the electorate that the Legislatures to which responsibility is to be entrusted should be representative of the general mass of the population and that no important section of the community may lack the means of expressing its needs and its opinions."

It was further explained :—

"It is the wish of His Majesty's Government that the Franchise Committee should consider in the first place what extension of the franchise for the provincial legislatures is desirable and administratively feasible, and the possibility of supplementing direct representation by a system of group representation or otherwise; and your enquiry will doubtless be so conducted as to elicit information which will enable you to frame proposals for the electorates, constituencies and methods of election which will be required to produce a federal legislature of the type indicated in the third report of the Federal Structure Committee."

The Lothian Commission arrived in India towards the end of January, and a questionnaire which they issued subsequently was forwarded to the Association by the Government of Bombay for an expression of opinion thereon.

The Committee's views on the question of extension of franchise had already been communicated to Government in June 1931 and they had nothing to add thereto. They were in favour of an extension of franchise, and they held that the proposal to bring the number of voters up to 10 per cent. of the total population was adequate under the existing conditions of the country. With the spread of education and the acquisition of greater familiarity with the representative institutions, they thought, further extensions would be necessary, but before that stage was reached they regarded it would be very inadvisable to enfranchise, all at once, large masses of people unaccustomed to the use of a vote.

The Committee also referred to the continuous representation in the Bombay Legislative Council and the alternative representation with the Ahmedabad Millowners' Association in the Legislative Assembly enjoyed by the Bombay Cotton Mill Industry, and emphasized the claim which the Association had always made for continuous representation on the Provincial and Central Legislatures.

The Franchise Commission concluded their labours towards the end of May. It is not necessary to refer at any length to the various recommendations they made for the constitution of the Provincial Legislatures and the proposed Federal Assembly and the representation of several interests on these bodies, but it may be pointed out that while they proposed to enlarge considerably the size of the Federal Assembly, they did not recommend any increase in the strength of the representation enjoyed by industrial and commercial interests. Labour, which was without any direct representation in the existing Assembly, was allotted as many as eight seats, merely on the ground that its representation should be equal to that enjoyed by commercial interests, and the representation which the Millowners' Association, Bombay, alternately with the Ahmedabad Millowners' Association enjoyed in the Legislative Assembly was taken away without any explanation whatsoever. It might be pointed out in this connection that in the questionnaire which was issued by the Franchise Commission, it was specifically stated that it was very improbable, if not impossible, that the Commission would be able to cover the whole field during the first stage of their enquiry, and that " it may, therefore, be necessary to postpone enquiries relating to representation of special interests, the advisability of creating bi-cameral legislatures in the provinces, the qualification and disqualification of candidates, and other subsidiary though important questions until a later stage of the Committee's investigations." Accordingly, the Ahmedabad Millowners' Association did not specially deal with the subject in their reply to the questionnaire and the Millowners' Association, Bombay, merely referred incidentally to the claims of the Association for continuous representation in the Central Legislature, and stated that in due course it would submit its views in greater detail. It was, therefore, very surprising to find the Franchise Commission departing from the programme laid down by it, and making specific recommendations with regard to the representation of commercial interests, and it was felt that the least the Commission could have done was to have given the associations concerned an opportunity of expressing their views before any conclusions were reached.

The matter was, therefore, taken up by the Association in conjunction with the Ahmedabad Millowners' Association, and in a representation addressed to the Reforms Officer, Government of Bombay, towards the end of June, the attention of Government was drawn to the injustice which had been done in the report of the Indian Franchise Commission to the interests of the Indian Textile Industry.

The Commission appeared to have assumed that it was unnecessary to give any representation to industrial interests as apart from commercial interests. With equal logic, it might be argued that labour did not require any special representation because the depressed classes were going to be adequately represented in the Provincial and Federal Legislatures. The Commission, in arriving at the conclusions they did, had entirely overlooked the consideration that important questions relating to labour legislation, tariffs and the like, which were continually coming up before the Central Legislature, and which had a vital bearing on the interests of industries, could not possibly be left in the hands of representatives of purely commercial interests. The Treaty of Versailles specifically recognized this principle so far as the International Labour Conference was concerned, and laid down that the Delegate representing the employers of a Member-State should be chosen in agreement with industrial organizations which were most representative of employers. In other words, it recognized that in the discussion of problems affecting Labour—which would demand increasing attention in the future—the voice of the representatives of purely industrial interests must be heard. The Franchise Commission had themselves admitted the principle in respect of Provincial Councils, and it was very strange that in making their recommendations about the composition of the Federal Assembly, they should not have appreciated the importance of the representation of what had all along been regarded as the greatest national industry of the country.

The claim of the Bombay and Ahmedabad Millowners' Associations for representation in the Assembly was supported by the Government of Bombay and, it is understood, ultimately brought to the notice of the third session of the Round Table Conference, but so far no final decision appears to have been taken in the matter. (*Appendix* **14.**)

THE INDIAN FRANCHISE COMMISSION.

Representation of Commercial and Industrial Interests in Provincial Legislatures.

In Chapter XI of their Report, the Indian Franchise Commission out lined their proposals for the representation of minor minorities and special interests in the Provincial Legislatures. They stated, *inter alia*, that it was unnecessary to emphasize the importance of securing the presence in those legislatures of men, Indian and European, qualified to speak with knowledge and authority on the economic issues before the Legislatures, on the bearing of tariff and other laws on the international market and on the variety of other subjects connected with trade, commerce and industry, which called

for expert consideration from time to time. It had been suggested to them that the general constituencies could be relied on to return in sufficient numbers, members whose experience was such as to enable them to speak with authority on commercial and industrial questions, and that special representation for commerce and industry was therefore unnecessary in the new Legislatures. They were unable to accept this view, but on the other hand held that functional representation was assuming increasing importance under modern conditions and that the argument in favour of making special provision for the presence in the legislative bodies of business and economic experts was a strong one. They further thought that while general constituencies might not infrequently return individuals whose knowledge and experience were such that they could make contributions of value to discussions on commercial and industrial questions, those members spoke primarily as representatives of the general constituency, and might on occasions find the claims of that constituency difficult to reconcile with a wholly dispassionate examination of particular economic issues. The danger that in the absence of special representation for commerce and industry, the new Legislatures might find themselves deprived of expert advice when it was most needed, was, therefore, in their opinion, a real one. It appeared, however, that they were impressed by the criticism that such special interests should not form a block of such a size or character as seriously to affect the balance of parties formed by representatives of territorial constituencies and so of the general mass of the population. Their object was essentially to make expert knowledge available in the Legislatures, and not to give any particular voting strength. They, therefore, recommended the retention of the seats at present allotted to commerce, industry and trade in the Provincial Legislatures without any proportionate increase in their number consequent on such increase in the size of those Legislatures as might ultimately be approved, but stated that they thought the desirability of some rearrangement or redistribution of commerce and industries constituencies should be further examined at the stage of delimitation of constituencies generally.

Government accordingly proposed to appoint a Delimitation Committee, and in the middle of July requested the Association to express an opinion on the remarks made by the Franchise Commission. It was pointed out by the Reforms Officer, Government of Bombay, that it was not known along what lines the Commission considered rearrangement or redistribution of the existing constituencies desirable or feasible, but it appeared that such rearrangement or redistribution could be made, *inter alia*, by providing representation for any particular trade or industry or commercial interest, the representation whereof was necessary for more effective representation of commerce or industry, or by abolishing a seat allocated to any commercial association whose representation was no longer necessary or served no particularly useful purpose, or by providing increased representation for any association at present represented in the Council, or by combining any two or more associations at present returning members to the Council for the purpose of returning their quota of representatives to the Council, or by any other similar method calculated to secure the representation of commerce and industry in the most effective manner practicable.

The Franchise Commission had also stated in their report that it had been pointed out to them that in some cases the rules of certain associations

which were recognized for the purpose of electing members to the Legislatures might be so applied as to seriously affect their representative character. The Commission had no evidence before them that this had in fact occurred, but they recommended that the point should be borne in mind, and the position reconsidered if it should, at any time, appear to Government that they were no longer representative of the interests assigned to them. Government, therefore, also enquired whether any changes were required in the electoral rules governing the Millowners' Association with a view to remove this defect, if it existed.

The Committee of the Association had no proposals to make with regard to the rearrangement or redistribution of the commerce and industry constituencies of the Bombay Legislative Council. They were of the opinion at the same time that the representation proposed to be accorded to commerce and industry was very inadequate, taking into consideration the greatly enlarged size of the Provincial Legislature. They also held that no changes appeared to be called for in the electoral rules of the Bombay Millowners' Association Constituency. (*Appendix* **15.**)

AMENDMENT OF ELECTORAL RULES AND REGULATIONS.

Commerce and Industries Constituencies.

In para 325 of their report, the Indian Franchise Commission stated that their attention had been drawn to a defect in the existing Electoral Rules, which made it necessary for the firms which were members of certain commercial or industrial constituencies, to nominate a representative to act and vote on their behalf in connection with elections to legislative bodies. Frequent changes in the personnel of partners, directors or managers might, it had been pointed out, result in disfranchising many firms at the time when an election took place. The Franchise Commission, therefore, suggested that "the name of the firm should appear on the electoral roll, and that the firm should depute someone to act on its behalf in an electoral capacity."

Towards the end of November, the Government of Bombay requested the Association's views on the advisability of amending the Electoral Rules so as to give effect to the proposals made by the Franchise Commission.

The Association agreed that an amendment of the Electoral Rules on the lines indicated by the Franchise Commission was desirable, but it was pointed out that no definite provision appeared to have been made to enable the returning officer of a Commerce or Industry Constituency to decide which authorized representative of a firm should vote at any election. For instance, in the case of the Bombay Millowners' Association Constituency, member mills had more than one authorized representative entitled to exercise the privileges of membership in all matters concerning the Association, and in such cases, it was necessary that the returning officer of the constituency should have definite instructions as to which representative should vote at an election. The general rules and regulations of the Association, however, provided that if two or more persons, who were entitled to act and vote on behalf of one and the same member were present at any meeting of the Association, then

the one who took priority in the order of precedence in the " Register of Persons Eligible to Act and Vote on behalf of Members " should alone be entitled to vote at such meeting. This ensured the senior-most officer of the firm or company present on the spot taking part in the voting, and it was suggested that the advisability of incorporating similar provisions in the Electoral Rules might be considered by Government to clarify the position. (*Appendix* **16.**)

INTERNATIONAL LABOUR CONFERENCE—SIXTEENTH SESSION.

Nomination of the Employers' Delegate.

Early in December 1931, the Government of India invited nominations for the Employers' Delegation to the Sixteenth Session of the International Labour Conference to be held in April 1932. The subjects on the agenda were:—

(*i*) The abolition of fee-charging employment agencies;

(*ii*) Old age invalidity and widows' and orphans' insurance for workers in all occupations excepting seamen; and

(*iii*) The minimum age of admission of children to employment in non-industrial occupations.

It was pointed out in the *communique* that the duty of nominating the personnel of the entire delegation rested with the Government of India, who, under the terms of the Treaty of Versailles, had undertaken ' to nominate non-government delegates and advisers chosen in agreement with the *industrial organizations* if such organizations exist, which are most representative of the employers or the workpeople as the case may be.' There appeared to be in the opinion of Government some misapprehension regarding what constituted an " industrial organization representative of the employers." They, therefore, made it clear that in their view " an association can only be regarded as representative of the employers if it includes among its functions that of dealing with the interests of the employers as such (that is regulating the conditions of employment)." In the opinion of Government " the mere fact that the membership of an organization maintained for other purposes (that is the protection and regulation of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection."

The Committee of the Association recommended the appointment of Mr. R. K. Shanmukham Chetty, M.L.A., as the Employers' delegate, and early in April, Government announced the appointment of the following gentlemen to represent the Government of India, the Employers and the Workers respectively at the Sixteenth Session of the International Labour Conference:—

Government Delegates.

1. Sir Bhupendra Nath Mitra, K.C.S.I., K.C.I.E., C.B.E., High Commissioner for India, London.

2. Sir Atul Chatterjee, K.C.S.I., K.C.I.E., Member, Council of India, London.

Advisers to the Government Delegates.

1. Mr. A. Dibdin.

2. Mr. K. R. Menon, I.C.S., Secretary to the High Commissioner for India, London.

Employers' Delegate.

1. Mr. R. K. Shanmukham Chetty, M.L.A., Deputy President of the Indian Legislative Assembly.

Workers' Delegate.

1. Diwan Chaman Lall, Bar-at-Law.

Mr. Menon, Secretary to the delegation. (*Appendix* **17.**)

INTERNATIONAL LABOUR CONFERENCE—SEVENTEENTH SESSION.

Nomination of the Employers' Delegate.

Towards the end of September, the Government of India issued a Press *Communique* inviting suggestions for the nomination of non-government delegates to the Seventeenth Session of the International Labour Conference to be held at Geneva in May 1933. It was understood that the main subjects on the agenda were :—

(*i*) unemployment insurance and the various forms of relief for the unemployed ;

(*ii*) methods of providing rest and alternation of shifts in automatic sheet glass works ;

(*iii*) abolition of fee-charging employment agencies ;

(*iv*) invalidity, old age and widows and orphans' insurance ;

(*v*) reduction in hours of work (report of the Special Committee on the technical problems connected with the reduction of hours of work).

The Committee of the Association suggested the nomination of Sir Phiroze Sethna, as the Employers' Delegate of India. Sir Phiroze Sethna's knowledge of Indian industrial and commercial problems was wide and intimate, while his acquaintance with the work of the International Labour

Office as a member of the Council of State entitled him, in the opinion of the Committee, adequately to represent the interests of employers generally at the Conference. His expert knowledge of insurance in all its varied aspects was considered to be a further valuable asset in connection with the discussion of the first and perhaps the most important item on the agenda of the Conference.

It was subsequently understood that a number of other commercial bodies also urged the appointment of Sir Phiroze Sethna as the Employers' Delegate at the forthcoming Conference. Government's decision in the matter has not yet been announced. (*Appendix* **18.**)

ABOLITION OF FEE-CHARGING EMPLOYMENT AGENCIES.

(*See pages* 73 *and* 341 *of Report for* 1921.)

At their first session held at Washington in 1919, the International Labour Conference adopted a Convention concerning unemployment, which, *inter alia*, provided for the establishment of free public employment agencies in each Member State under the control of a central authority. The Convention did not, however, provide for the abolition of fee-charging employment agencies as the latter question was not then ripe for treatment in a draft Convention, but was dealt with in a separate Recommendation to each Member State to take measures to prohibit the establishment of employment agencies charging fees or carrying on their business for profit.

The Convention regarding employment was subsequently ratified by the Government of India, and in a resolution adopted by the Legislative Assembly, and subsequently by the Council of State, the Government of India were asked to take steps to create regular public agencies in so far as they might be necessary to facilitate the migration of labour. The Committee of the Association then approved the principle underlying the proposed measure, and stated that they would welcome the institution of properly constituted employment agencies, provided, however, that if it was necessary to introduce legislation to give effect to the proposals, such legislation should be entirely permissive in character.

It might also be mentioned in this connection that when the Government of India invited an expression of opinion on the subject, reference was also made to the Recommendation of the Conference relating to the abolition of fee-charging employment agencies, and it was stated that institutions of this character were unknown to India though one or two cases, possibly fraudulent in character, had come to their notice. However, local Governments were asked to examine the position, but nothing further was known to have been done in the matter.

Towards the end of 1929 when the decennial report on the Washington Unemployment Convention was under consideration of the International Labour Conference, the German Government suggested the desirability of revising the Convention or adopting a separate Convention to provide for the

abolition of fee-charging employment agencies. The matter was accordingly placed on the agenda of the sixteenth session of the Conference for preliminary discussion, when it was resolved that Member States should be consulted on the various issues arising out of the subject by means of a questionnaire.

Accordingly, towards the end of June a copy of the questionnaire was forwarded to the Association by the Government of Bombay at the instance of the Government of India for an expression of opinion thereon. The Committee stated that they were not in a position to express any views on the question as they were not aware of the existence in this country of any fee-charging employment agencies in the textile industry, or for the matter of that, in other large industries. It had been represented to the Special Committee of the Conference who examined this question that " so long as the system of public employment offices did not cover the various trades or districts there might still be an important part for private non-profit-earning agencies to play in filling up the gaps." The Committee agreed with this view and, therefore, deprecated the imposition of any stringent regulations on such institutions. (*Appendix* **19.**)

BOMBAY COTTON CONTRACTS ACT.

(*See pages* 28 *and* 154 *of Report for* 1931.)

In the last issue of the Report, it was stated that as Government were unable to accept Mr. R. S. Asavle's amendment which sought to empower " any association founded in the City of Bombay " to control dealings in cotton, the Bill "to provide for the regulation and control of transactions in cotton in Bombay " introduced in the Legislative Council in July 1931, was withdrawn. It will be remembered that in March 1931 Government extended the life of the Bombay Cotton Contracts Act, 1922, till 31st March 1932, so as to cover trading in the new crop of 1931-32, and Government's refusal to proceed with the Bill consequent on the Council declining to accept the principle of forward transactions in cotton being controlled by only *one* association threatened to create a serious situation, and unless Government extended the operation of the 1932 Act for a further period of one year, or introduced an amended Bill in the July session of the Council which would be acceptable to the House, there was a possibility of the cotton trade being thrown into utter confusion.

The position was considered by the Board of the East India Cotton Association, and in a communication addressed to the Government of Bombay Mr. Haridas Madhavdas, Vice-President of the Association, pointed out that a special sub-committee of the trade was engaged in drafting a revised Bill without affecting in the least the main principles of the original Bill. This procedure, he stated, would involve considerable time and labour and he, therefore, requested that the life of the 1922 Act should be extended for another year.

The Committee of the Association who were consulted by Government in this connection felt that the East India Cotton Association had failed to control the cotton trade and that, constituted as it was, it was not able to do so. They were, therefore, of the opinion that no useful purpose would be served by an extension of the life of the existing Act.

Towards the middle of July the Government of Bombay addressed the Chairman of the Association enclosing copy of a draft Bill "to provide for the better regulation and control of cotton transactions in Bombay" and requested him to furnish them with the Association's views thereon. The main provisions of the Bill were :—

(1) Control of forward transactions in cotton was thrown open to associations recognised by Government.

(2) Government reserved to themselves the right to 'recognise' or to withdraw recognition from any association, and any contract which was not in accordance with the by-laws of any 'recognised' association would be void.

(3) Government were empowered to supersede the Board of Directors of a 'recognised' association, and to appoint in their place a Board of Control if the Governor-in-Council was of the opinion that it was necessary in order to secure free trading in the market and to prevent obstructions thereto and interference therewith. (Clause 9.)

(4) When a Board of Control was appointed, it was proposed to empower the Governor-in-Council to declare by notification that after a specified date, any forward or ready contract entered into except by or through the agency of a member of a recognised cotton association would be void. (Clause 10.)

Government proposed to introduce the amended Bill in the September session of the Legislative Council, but, as the life of the Bombay Contracts Act was due to expire on 31st August, they issued a notification extending its operation till 31st October.

The Committee of the Association fully agreed as to the necessity of ensuring free trading for every one engaged in the cotton trade. They realized the great harm done by the boycott and *hartals* which had been such deplorable features of trading in the market during the last year or two ; but they did not think that the proposal to appoint a Board of Control to supersede, in certain circumstances, the Board of a recognised association, and to vest the control of trade in a body specially constituted by Government would remedy the situation. The general conclusion of the Committee was that it was undesirable to embody in a Statute drastic provisions of this character, and that abnormal situations when they arose, might be more appropriately dealt with by special legislation of a temporary character. The Committee were, therefore, in favour of deleting clauses 9 and 10, and thought that, even if the power given to the Governor-in-Council to appoint a Board of Control were taken away, the Bill would still provide for the recognition of more than one association, and would place in the hands of the Board of the East India Cotton Association wider powers than they appeared to possess under the existing law. One of the greatest difficulties, in the opinion of the Association, which the Board of the East India Cotton Association had to face had been the fact that certain elements with no great stake in the trade had always been in a position to force their point of view on the

Board and the trade in general. If, however, the Board were to have the powers contemplated in the Bill—and to make them effective the articles of association of the East India Cotton Association would need to be amended—the danger of the control of that Association by irresponsible elements might be largely counteracted. A communication was accordingly sent to Government early in August.

On 19th September, the Hon'ble Sir Ghulam Hussain introduced in the Bombay Legislative Council a Bill " to provide for the better regulation and control of transactions in cotton in Bombay." It was explained in the Statement of Objects and Reasons attached to the Bill:—

" While providing for recognition of the East India Cotton Association and its present articles of association and by-laws it enables Government to recognise more than one cotton association, if at any time it should be found desirable to do so, and also provides for the withdrawal of recognition from the East India Cotton Association or any other body which may have been recognised under the Act. Government's policy is that there should normally be one body in control of the cotton trade of Bombay, but if at any time that one association shows itself over a period of time unable to provide for the proper regulation of cotton market in Bombay then it is necessary that Government should have power to license another association. And for this power to be effective it must also have the power to withdraw recognition.

Clauses 9 and 10 of the Bill give Government special powers to deal with times of abnormal trade. For a long time past trading in the Bombay cotton market has been very irregular and the operations of many dealers have been persistently obstructed and interfered with. Government realise that world factors have aggravated the situation ; but after consulting all sections of the trade they are satisfied that the regulation of the Bombay cotton market has been seriously defective. And they consider it necessary that, in case the disorganisation of the market should continue or recur, they should be empowered to interfere and improve that regulation in such a way as to secure free trading in the market and to minimise outside interference. In normal times Government do not desire to interfere in matters of trade, except to the extent necessary to give statutory recognition to whatever organisation the trade may find best suited to its needs. But the events of the past few months have made it clear that the present organisation of the Bombay cotton market has been unsuited to abnormal circumstances. And the control of cotton in Bombay is not merely a matter of local concern. The ramifications of the trade extend to cotton growing districts throughout India and the effects of disorganisation in Bombay are quickly felt in the rural areas and up-country markets. Government, therefore, consider it necessary to ask the legislature to give them the special powers provided in clauses 9 and 10 of this Bill, partly in the interests of a number of *bona fide* traders and dealers in Bombay who are anxious to trade in the normal way and have been prevented from doing so, but particularly in order that the growers of cotton throughout India may obtain the best possible prices for their produce, for which purpose free and regular trading in the Bombay market is essential.

In recognition of the service which the Bombay cotton market owes to cotton growers throughout the country Government will require that, as a basis for continuing the recognition of the East India Cotton Association or of recognising any other association in its place, it shall have three representatives of the growers of cotton on its board of directors

Government are, moreover, satisfied that a contributory cause of the weakness and ineffectiveness of the present association in regulating the Bombay cotton trade has been that, despite the statutory powers of regulation which have been given to it, it has allowed one of the two main cotton markets in Bombay to be controlled by a subsidiary association, the Bombay Cotton Brokers' Association. Consequently Government will require that in future any recognised association shall be in sole possession and control of its markets."

Referring to the special powers which Government proposed to take under the proposed legislation, the Hon'ble Member said :—

" If there is free trading, if there is no obstruction, this power will never be exercised. Now, if honourable members will bear with me for a short time, I will convince them of the absolute necessity of Government taking these powers. I will later on show honourable members that Government are taking these powers to themselves not of their own seeking, not of their choice ; their hands are forced ; they are constrained to take these powers. I will also show honourable members that Government are taking these powers in the interests of the grower, in the interests of the trade and in the interests of the country. Those honourable members who are familiar with the cotton market in the City of Bombay must be aware that *hartals*, closing of the market, boycott at the dictation, at the behest, at the threat of a third party which has absolutely nothing to do with the trade, are the order of the day. You will find in the cotton market of Bombay frequent *hartals*, frequent closing of the market, and people being boycotted for political reasons. I shall quote certain figures to convince honourable members that this statement of mine is correct. Out of 159 working days, the Bombay cotton market was closed for 93 days from January to August. If you refer to the proceedings of the Association itself, you will see that they do not deny these facts, that the market is closed, that there are *hartals* and that there is boycott at the dictation of a third party which has absolutely nothing to do with the cotton trade or any other trade. People carry out their behests because they are afraid of social boycott and social ostracism. Now, Sir, if one individual were not to trade with another individual, nobody would take notice of it ; if one single firm were not to trade with another firm, nobody would take notice of it ; but when people as a class are boycotted for political reasons at the instance of a third party, surely nobody can defend that position at all. This state of affairs was actually brought to the notice of the Association. Government—my predecessor, Sir Govindrao Pradhan, the Finance Member—actually conferred with them. They assured him that they would withdraw the boycott. But that was only a pious resolution and nobody cared to give effect to it. As I will later on show, the various associations said that they were helpless, they could not control the trade, they could not put down this boycott or *hartals*. Not only that ; Government from time to time took into their confidence the members of the Association and asked them to find a way to end or mend this state of affairs, this chaos, this impasse in the cotton market of the City of Bombay. Well, the Association has not been able, up to now, to make any constructive suggestion to put an end to this state of affairs. All that we were advised by the Association was that we must follow a policy of drift or *laissez-faire* and that things would adjust themselves. Well, believing them as an expert association, we thought that there might be something in what they said, and we followed their advice for six or seven months. As honourable members know, things have gone from bad to worse now."

The Bill was read for the first time, and passed on the 20th September, but when the Hon'ble Member in charge moved the second reading of the Bill, Rao Bahadur Kale (Bombay University) moved an amendment " That the Bill be referred to Select Committee." The amendment was opposed by Government, and on being put to the vote was lost, 23 voting for and 63 against it.

Government's original motion was then taken up, and the Bill was read a second time, and the House proceeded to consider it clause by clause, and the following amendments were made or sought to be made :—

Mr. L. R. Gokhale (Poona City) proposed that the special powers conferred on Government under clauses 9 and 10 of the Bill should be in force for a period of two years only from the date on which the Act came into operation. Sardar Bhasaheb Raisinhji (Thakor of Kerwada) also favoured the principle of limiting the life of clauses 9 and 10 to a definite period, but

suggested that it should remain in force for a period of five years. The motion was accepted by the Hon'ble Sir Ghulam Hussain, who stated :—

" I see, Sir, there is a strong feeling in favour of the amendment to limit the operation of these two clauses to five years. Therefore, Sir, we willingly accept that amendment. I assure honourable members that we do not want to make it a permanent measure, as it is not our desire to interfere with the trade at all."

and passed by the House.

Mr. L. R. Gokhale then moved the addition of the following sub-clause to clause 4 of the Bill :—

" If the Governor-in-Council refuses such recognition, the reasons for such refusal shall be specified in the order of refusal and shall be communicated to such associations."

In explaining the objects of the above amendment, the mover stated :—

" Clause 4 only says that the Governor-in-Council may give or refuse such recognition. In case the recognition is granted, no reasons are to be given, but in case the recognition is refused I think it is fair to the body which has been refused that recognition to know the reasons why the recognition is refused. If the body is told that their by-laws are not satisfactory or they are pointed out any other deficiency in their character or in their constitution or otherwise, they may be able at a future date to come again to Government after having removed those defects."

The amendment was opposed by Mr. C. G. Freke, who, however, agreed that " it has a superficial reasonableness which is very attractive," but he thought that in practice it would be difficult and unworkable. He further explained :—

" What are the primary requirements for a cotton association to work well, to control and regulate the trade well ? They are that it should include leading men of the trade, men who can be trusted, men whose credit is good. I venture to ask the honourable mover of this amendment how he would like to have it published that the Governor-in-Council, after having made various confidential inquiries, was not satisfied that the financial standing or the business practice of a certain number of the organizers of a particular association were satisfactory. There will be a number of confidential reports underlying the examination of any request for recognition. There may be various reasons of this kind which move Government to refuse recognition. In normal circumstances, if there are reasons of public policy, they can be disclosed, but that, Sir, is quite different from having a statutory requirement that they shall always be disclosed. It is solely for the reason that in a certain number of cases the reasons for refusal of recognition may be based on confidential information which cannot be disclosed. That is the reason why Government are bound to oppose the amendment that they shall be bound to disclose reasons for refusal."

This explanation was accepted by the mover, and the amendment was by leave of the House withdrawn.

The next important amendment was moved on behalf of Government by Mr. C. G. Freke, who proposed that Government should be entitled to refuse recognition to any Association unless—

" (*a*) it is provided in the by-laws submitted by the cotton association under sub-section (1) that not less than one-fourth of the total number of the Board of Directors of the cotton association applying for recognition shall be growers of cotton to be appointed in the manner prescribed in the said by-laws and approved by the Governor-in-Council ; and

(*b*) the Governor-in-Council is satisfied that the sole possession and effective management, control and regulation of the markets of the cotton association applying for recognition and of the market-places of the said cotton association are vested in the said cotton association."

It was further explained by Mr. Freke :—

"It has been explained in the earlier part of the statement and in the speeches made by the Honourable Member that the primary reason for presenting this Bill is to protect the interests of the growers of cotton throughout India and to secure that they obtain the best possible prices for their produce. It is felt that the Board of Directors of the East India Cotton Association has at times recognised over-clearly the interests of its own members, those who are actually trading in Bombay, and has not perhaps at times paid sufficient attention to the interests of those for whom the market really exists, namely, the cotton growers. Government have, therefore, considered it desirable that the cotton growers should be directly represented on that Board. As a result of the findings of the Wiles Committee, which were published in December 1930, the East India Cotton Association modified their constitution and provided that of a total number of 18 on the Board of Directors, 2 should be representatives of growers of cotton, nominated by the Indian Central Cotton Committee. In the speeches on the Bill of 1931 it was made clear that a stronger representation of the cotton growers' interests was desired on the Board, and Government now think it more satisfactory to include this provision in the Act.

"In the Statement of Objects and Reasons it has been explained that one of the factors that has handicapped the East India Cotton Association in controlling its markets has been that one of its most important markets, the futures market, has actually been in the possession of a subsidiary association, which has been turbulent ; and it is, therefore, thought necessary to provide in the statute that any association which is to be recognised should be in sole possession and effective control of its markets.

The representative of the East Khandesh District, Mr. V. N. Patil, endeavoured to raise the minimum representation of growers provided for in a cotton association as a condition precedent to recognition under the Act, to one-third, and moved an amendment accordingly, but the Hon'ble Sir Ghulam Hussain pointed out :—

"The representatives of the growers have up to now absolutely no experience of the working of the East India Cotton Association. They had no representatives, and now they have two, but the one honourable member who has given his experience to this House says that he does not understand much of their business. Therefore, let us try 25 per cent. which is not a small number.

"Then again, there are the difficulties of attending meetings, also the heavy expenses. Now these representatives of growers become directors without paying a single pie to the Association. We must take into consideration the state of affairs of the East India Cotton Association also. We compel them to take up a third party who does not contribute any fees to the Association. Yet they have to pay all the travelling expenses and other allowances. Therefore, honourable members will see that it is quite enough to try 25 per cent. for the present. If need be hereafter, an amendment may be brought forward and Government will give due consideration to it. I hope it will satisfy this honourable House that growers have got the same representation that honourable members asked for last year. I would request them not to ask for more for the present. If need be, Government will consider the question of giving them more representation in future."

In view of the assurance given by Sir Ghulam Hussain the amendment was withdrawn, and Mr. Freke's original motion was put to the vote and carried.

Mr. L. R. Gokhale (Poona City) then moved an amendment to clause 4 to provide that recognition shall be withdrawn only after giving a fortnight's notice to the cotton association concerned, to correct any particular defect in its constitution or the manner in which its business was conducted, and on the failure of such association to abide by the notice.

Mr. G. Davis (Remembrancer of Legal Affairs to Government) agreed with the object underlying the amendment, viz., that " no recognized association shall be condemned without giving it an opportunity of being heard," but he thought :—

" There would be difficulty, because the amendment is limited to certain cases. He (the mover) says : ' After giving a fortnight's notice to the cotton association concerned to correct any particular defect in its constitution.' The constitution may be perfect on paper, but in its working it may be defective. He then says : ' The manner in which its business is conducted.' There may be other matters which have attracted the attention of Government and which may necessitate the withdrawal of recognition, besides defects in the association's constitution or the manner in which its business is conducted. Then he goes on to say : ' On the failure of such association to abide by the notice.' That may be a question of fact which may have to be taken to a civil court and which may even involve the invocation of the powers of the High Court under section 107 of the Government of India Act."

He, therefore, proposed to meet the wishes of the mover by providing that recognition may be withdrawn " after having given to a cotton association an opportunity to explain why recognition should not be withdrawn." This was accepted by the House.

The next amendment of importance was in connection with sub-clause (1) of clause 9 of the Bill which sought to empower Government to supersede the Board of Directors of a cotton association and to constitute instead a Board of Control, if in their opinion such a course was necessary in order to secure free trading in the market and to prevent obstruction thereto. The amendment sought to provide that these powers should be exercised after giving a fortnight's notice to the Board of Directors " to remove such obstruction or interference." Government agreed to meet this amendment, as in the case of withdrawal of recognition, by providing that a reasonable opportunity would be afforded to the Board of Directors to explain why they should not be superseded.

These are some of the most important amendments in the Bill, which passed the third reading on 22nd September. The Bill received the assent of the Governor-General on 27th October, and by a notification dated 28th October, Government directed that the provisions of the Bill (now the Bombay Cotton Contracts Act, 1932) should come into operation from 1st November 1932. (*Appendix* **20.**)

EAST INDIA COTTON ASSOCIATION—CONTROL OF RING TRADING.

(*See pages* 28 *and* 154 *of Report for* 1931.)

In para 31 of their report, the Bombay Cotton Contracts Act Committee stated :—

" By a long-standing practice of many years the trading in forward contracts is daily being carried out in two separate periods and in two separate places. The evening sessions took place under the regime of the old Association at Colaba, and this sessions has now been

transferred under the present Association to the Sewri rooms. The midday sessions has always taken place in the Marwari Bazaar, and since the foundation of the Brokers' Association it has been under the control of this Association. We do not desire to enter into any discussion of the manner in which the Brokers' Association have conducted the forward trading in the bazaar; but we are convinced that the time has now come for complete control of all forward trading to be taken over by the one Association. Though the existing system has worked on the whole with wonderfully few complaints, the difficulties and dangers which are likely to arise from the dual system of administration are obvious. At the same time now that the trading rooms of the East India Cotton Association have been transferred to Sewri the convenience of a considerable majority of the members makes it necessary that the system of having two trading rings for the morning and evening should be continued."

They further stated :—

"We have received from the Brokers' Association a very strong appeal on behalf of special associate members of their Association who are not members of the East India Cotton Association. A considerable number of these traders, who act as a kind of sub-broker, at present do business in the ring. It is represented that it will be unfair to deprive these men of their means of livelihood, that their reputation over many years has been good, that they serve a useful purpose in bringing together brokers and members of the Association, and that they may easily be kept under complete control since their card of admission could be withdrawn in case of misconduct. With the exception of Sir Ness Wadia, who would insist that all card-holders of the ring should be employees of members who will accept responsibility for them, the Committee favours the admission to the right of a ring card of all those members of the Brokers' Association who were on their registers on November the 30th, 1930, on payment of the fee which they pay at present to the Brokers' Association."

In his minute of dissent, Sir Ness Wadia agreed that the sole control over the ring should be taken over by the East India Cotton Association, but stated that the admission of sub-brokers who were mere canvassers of orders to work in the ring would constitute a curious anomaly in any association, inasmuch as it would give a privileged position to such sub-brokers on payment of an annual subscription without any personal responsibility to the members of the East India Cotton Association or the public who might trade with them. He further urged that no association could exist unless the members thereof accepted full responsibility to one another for their transactions, and unless their employees and sub-brokers were responsible to them and through them to the Board of the Association, and unless also all ring-traders were on an equal footing. He was, therefore, entirely against giving a privileged position to sub-brokers, and further proposed that members of the East India Cotton Association, and particularly broker members, who desired to have these sub-brokers in the ring should distribute the sub-brokers among themselves by appointing them their sub-brokers, and that no further ring-traders except as employees of members should hereafter be admitted into the ring.

In expressing an opinion on the Bombay Cotton Contracts Act Committee's report, the Committee of the Association expressed their entire agreement with the views of Sir Ness Wadia, but, as a compromise, accepted the majority's proposal to admit all those who were members of the Brokers' Association on 30th November 1930 to trade in the ring, provided the East India Cotton Association intended the concession to mean that all those who were given this right in the future must become members of the East India Cotton Association. This, in their opinion, would lead to the gradual

elimination of trading in the ring by non-members. In their review of the findings of the Wiles Committee, Government themselves admitted that the admission of these outsiders was without precedent in other associations, and might give rise to trouble in the future. They, therefore, desired that the East India Cotton Association should consider whether it should not require these sub-brokers to join the Association as Associate Members.

Section 4 (3) (*b*) of the Bombay Cotton Contracts Act, 1932, which came into force on 1st October, provided that " recognition " under the Act should not be accorded unless " the sole possession and effective management, control and regulation of the markets of the cotton association applying for recognition and of the market-places of the said cotton association are vested in the said cotton association." As the East India Cotton Association was " recognized " under the Act, it became necessary for the Board, for purposes of section 4 (3) (*b*), to assume full control of ring trading. A Sub-Committee of that Association accordingly went into the whole question, and ultimately submitted the draft of certain bye-laws which, they considered, would serve the purpose.

The Committee of the Association, on being asked to express an opinion on the proposed bye-laws, pointed out that the underlying condition of the compromise, which they suggested in the matter of the admission of sub-brokers into the ring, when the Wiles Committee report was referred to them, was that the effective management, control and regulation of trading in the ring should be vested in the Board of the East India Cotton Association; or, in other words, the essential feature of the compromise was that, in time to come, no one would have a right to trade in the ring who did not belong to the East India Cotton Association or transacted business on behalf of a member of that Association. The draft bye-laws, however, were, in the first instance, unsatisfactory because they were not calculated to give the Board of the East India Cotton Association that measure of control over the ring, which was essential in the interests of the trade. They were also unsatisfactory because they failed to provide for the restriction of forward trading to adequately defined rings or markets, and further failed to limit the right to trade in the ring as sub-brokers to a definite and limited class of people. Proposed bye-law 182 provided that a contract entered into by a ring sub-broker would not bind the principal until it had been confirmed by such principal. Such a provision invested contracts for future delivery with an element of uncertainty and risk, highly detrimental to the interests of the trade. There were also other directions in which the bye-laws appeared to be defective. They did not, for example, provide for definite trading hours and definite and restricted holidays. The need for ensuring the regular functioning of the market had, in the opinion of the Committee, been amply demonstrated recently when the market had been generally open for trading only for two or three days a week, despite the fact that most of the members of the East India Cotton Association were desirous of trading, but were unable to do so, owing to the lack of effective control in the hands of the Board.

Taking all these factors into consideration, the Committee felt that they must give full support to the proposals made in connection with ring trading in Sir Ness Wadia's minute of dissent, which provided that only

members of the East India Cotton Association or their nominees should be entitled to trade in the ring, the full control of which should be vested in the Board. They also pointed out that the broker membership of the East India Cotton Association was so large that the adoption of Sir Ness Wadia's proposal that sub-brokers should obtain permits to trade in the ring from members of the East India Cotton Association was perfectly feasible. It appeared that these sub-brokers were partially employed by one or the other of the members of the East India Cotton Association, and it was thought that their sole employment by members of the East India Cotton Association would do much towards raising their status. (*Appendix* **21.**)

ADOPTION OF UNIVERSAL STANDARDS FOR INDIAN COTTON.

In para 21 of their report, the Bombay Cotton Contracts Act Committee stated :

" Closely connected with this question of quality surveys, is that of universal standards, which do not exist in India, but are a matter of great importance in the American system. It has been brought to our notice that a considerable difference may exist in the standards of different centres, as for example between those of Karachi and Bombay. It is true that the bulk of cotton in India is actually sold on type and not on class, so that the question is not really so important in India as elsewhere, and it is also true that if the Bombay system of survey succeeds in establishing a reputation, Bombay standards will in this way indirectly spread throughout India. But we recognise that some universality of standard is most desirable, so that, for example, what is known as ' Fine Bengal ' in Bombay may be ' Fine Bengal ' throughout India in all places where there is an association controlling cotton dealings according to class."

They, therefore, recommended that " the Standards Committee of the East India Cotton Association should refer this question to the Imperial Council of Agricultural Research established by the Government of India and invite their assistance."

The question of adopting universal standards for Indian cotton, it would appear, had also been before the Indian Central Cotton Committee on various occasions, and it had been suggested that they should seek the assistance and co-operation of the Imperial Council of Agricultural Research after ascertaining " which of the commercial bodies should have a hand in the matter." Towards the end of September, the Indian Central Cotton Committee requested the Association's views in the matter. The Committee agreed that steps should be taken to secure the adoption of universal standards for all Indian cottons, but they pointed out that as the matter was one of great importance to the cotton trade, it would be desirable to convene a conference of all sections of the trade with a view to discuss the matter and take early steps to expedite the adoption of uniform standards for Indian cotton. (*Appendix* **22.**)

USE OF LONG-STAPLED COTTON IN INDIAN MILLS.

During the course of the evidence tendered by the representatives of the Indian Central Cotton Committee before the Tariff Board, it was suggested by the President of the Board that there was possibly a wastage of wealth

owing to the practice of using long-stapled Indian cotton for the production of yarns of lower counts than the cotton was actually suited to spin, and that on this account, either the mills or the cultivators suffered. The representatives of the Indian Central Cotton Committee asked to be given an opportunity of examining the question carefully, and subsequently, the points raised by the President of the Board were discussed at a conference consisting of representatives of the East India Cotton Association, the Millowners' Associations of Bombay and Ahmedabad, and the Indian Central Cotton Committee.

On the general proposition as to whether cotton growers suffered any financial loss on account of mills in India using Indian staple cottons at times for the production of counts lower than the maximum counts which such cottons were capable of spinning, there was complete agreement that full market rates were invariably paid for all cotton purchased from the grower, including staple cottons, irrespective of the uses to which such cottons might be put. Therefore, whether cotton bought by mills were used for the purpose of spinning higher or lower counts, the agriculturist did not suffer by mills in India spinning lower counts than the maximum counts that could be spun out of such cotton. The conclusion of the conference was that no financial sacrifice or waste was made at the expense of the agriculturist in this connection.

As regards the manner in which long-stapled cotton was utilized, the position as revealed by a careful analysis made by the Indian Central Cotton Committee, was as follows :—

The average crop of Indian long-staple cotton suitable for spinning 24s counts and above during the three seasons 1929-30 to 1931-32 was 714,000 bales of 400 lbs. each. Assuming that 15 per cent. of the staple cotton was used for domestic purposes, a balance of nearly 607,000 bales was available for export and mill consumption. With regard to the exports of particular classes of cotton in question, it was unfortunate that the Seaborne Trade Statistics of British India made no distinction between the different varieties of cotton exported from India, but from figures specially compiled by exporting houses, it appeared that during the seasons 1929-30 to 1930-31, the average total exports of such cottons could not be less than 249,000 bales, thereby leaving a balance of 358,000 bales of long-stapled cotton for consumption in Indian mills.

The next question, therefore, was whether the whole of this long-staple cotton was absorbed by Indian mills. There was general agreement amongst the representatives of the various bodies represented at the conference that there were no reports of unsaleable quantities of staple cottons during the seasons in question, and they thought that it was justifiable to infer that the long-staple cottons available in India were absorbed by mills in India. This conclusion was supported by the fact that it was the general experience of mills that, owing to scarcity, the premia which had to be paid for long-stapled cotton increased in July, August and September.

The last point to be examined was whether the staple cotton which was absorbed by mills was properly utilized. In the written statement submitted to the Board by the Indian Central Cotton Committee, it had been stated that

mills situated in areas in which long-staple cotton was grown sometimes found it convenient to spin from such cotton yarns of counts lower than those for which it was suited; but in this connection it was necessary to bear in mind that cotton suitable for lower counts from other areas was comparatively more costly to such mills, owing to the heavy railway freight which had to be paid when short-staple cotton was brought from other areas.

As to the extent to which staple cotton was used in the manufacture of counts lower than it was capable of spinning, it appeared that taking the figures of the three years 1929-30 to 1931-32, the average production of yarn of 24s and above in Indian mills was about 279 million pounds. Calculating at the rate of 1·18 lbs. of raw cotton to a pound of yarn, the total quantity of staple cotton required to produce this yarn was approximately 696,000 bales. The average imports of foreign cotton into India during the three years in question was 299,000 bales, thus leaving a deficit of about 387,000 bales of cotton which should have been met out of Indian cotton. Taking into consideration the shortcomings of the existing statistical data and other evidence available, this figure was reasonably close to the estimated figure of 358,000 bales of Indian staple cotton available for mill consumption in India, and it would, therefore, be incorrect to infer that staple cottons were not put to proper use by Indian mills. These conclusions of the conference were forwarded to the Tariff Board by the Indian Central Cotton Committee. (*Appendix* **23.**)

STANDARDS FOR EAST AFRICAN COTTON.

(*See pages* 27 *and* 149 *of Report for* 1931.)

In the last Report of the Association it was stated that on the recommendation of their special sub-committee, the Board of the East India Cotton Association decided to defer the question of fixing staple lengths for Kampala, Busoga and Jinja cottons till further data had been obtained, and notified the trade that the buyer would be sufficiently protected as regards staple if a general stipulation, viz., " staple to be equal to sellers private type so and so " were specified in the contract.

Towards the end of September during the year under review, the trade was again notified by the Board of the East India Cotton Association that standards for African cotton would be prepared after the 15th April and put into use not later than the 15th May. It was further stated that, in future, standards for African cotton would be prepared by the Standards Committee which was entrusted with the work of preparing standards for Indian cotton. From this, it appeared that it was the intention of the East India Cotton Association to prepare new standards every year. The Committee considered that the interests of both buyers and sellers demanded that once standards were fixed, they should be of a permanent character, and accordingly wrote to the East India Cotton Association urging the fixation of permanent and immutable standards. In reply, the Board of the East India Cotton Association pointed out that it was their intention to prepare new standards for African cotton from year to year, and that the new boxes would be prepared from New Crop Cotton as exact copies of existing boxes;

in other words, they intended to follow the same procedure as was adopted in the preparation of standards for Indian growths of cotton, viz., to keep the standards uniform " as far as practicable " and not to make them from year to year representative of the average quality of the season.

The Committee of the Association again pointed out that the standards once fixed should be of a permanent character, immutable and adhered to for all time and not only " as far as practicable," and hoped it would be possible for the Board of the East India Cotton Association to give such an assurance.

The Association's view-point was placed by the Board before an extraordinary general meeting of the East India Cotton Association early in January 1933, but no decision was arrived at, and the meeting had to be adjourned for want of a quorum. (*Appendix* **24.**)

DIVERSION OF THE IMPORT TRADE IN COTTON FROM BOMBAY TO BHAVNAGAR.

Import Duty on Foreign Cotton.

(*See also pages* 21 *and* 138 *of Report for* 1931.)

Early in March, the Bombay Chamber of Commerce invited the attention of the Government of India to the diversion of trade in imported raw cotton from Bombay to Bhavnagar, due to certain exceptional facilities, such as free storage for prolonged periods, low rates of interest on advances against cotton, free insurance and very low railway freight, which were being offered to importers by the State. The Chamber maintained that these special facilities could only be given because of the unique treaty rights enjoyed by Bhavnagar State, and that advantage was being taken of these rights to encroach on the revenues of the Government of India. They, therefore, urged that immediate steps should be taken to remove the duty on imported cotton, as it was felt that the existence of this duty was mainly responsible for the serious loss of trade.

This matter was subsequently examined in great detail by the Association and the Bombay Chamber of Commerce, and in a joint representation submitted to the Government of Bombay early in May, it was urged that if Government could not see their way, owing to their financial difficulties, to forgo the revenue derived from the duty on cotton, other ways should be considered by which Government would still receive the same amount of revenue while the trade of Bombay would not be handicapped by the competition of Bhavnagar Port. It was estimated that cotton mills at Ahmedabad consumed approximately 80,000 to 100,000 bales of foreign cotton per annum and if, as was likely, the whole of Ahmedabad mills' requirements of Egyptian and African cotton were imported via Bhavnagar in future, the revenue of the Government of India from the duty would be Rs. 15 lakhs less than it would be if cotton were imported through Bombay; in other words, the revenue of the State of Bhavnagar would benefit to the extent of Rs. 15 lakhs

per annum from the duties on raw cotton, imported almost entirely for use in cotton mills situated in British India. Moreover, there was, of course, the possibility of the Bhavnagar State making arrangements for the fumigation of American cotton at that port in order to attract that type of cotton, in which case, revenue which would ordinarily accrue to the Government of India might be largely diverted to the Bhavnagar State. That this danger was real was evidenced by the fact that during the last three weeks of April, nearly 20,000 bales of East African cotton had entered India through the port of Bhavnagar against a total of less than 10 per cent. of this quantity during the whole of last year.

It was, therefore, pointed out on behalf of the Association and the Chamber that it would be advisable to abolish the import duty on raw cotton and substitute therefor a consumption tax of the same amount on all imported cotton used by mills in British India and in Native States. It was suggested that this tax be collected by a method similar to that adopted for the collection of the cess on Indian cotton which would make the cost of collection negligible.

It is understood that the Bombay Port Trust also addressed Government strongly supporting the representation made by the Association and the Chamber, but the Government of India considered that the proposal was fraught with various difficulties and obstacles of a serious character, and were, therefore, unable to do anything in the matter. (*Appendix* **25.**)

DUTY ON IMPORTED COTTON.

In their evidence to the Tariff Board, the Indian Central Cotton Committee, in referring to the effect of the existing import duty on Indian cotton, stated :—

"The bulk of the Indian crop being short staple, there is no competition from outside sources with cotton less than $\frac{7}{8}$", so that the imposition of an import duty on this type of cotton can have had no effect on the majority of the Indian growers of cotton. There is also no competition in India with cottons over 1" in staple except for the 8,000 bales of 289F of 1-1/16" staple grown in the Punjab. We understand, however, that there may be a great future for cottons of this staple in Sind and the Punjab. For the effect of the duty on the intermediate staples between $\frac{7}{8}$" and 1", there is only the experience of the past eight months to fall back on and this has been a period in which abnormal factors have predominated in the world's markets, e.g., a big and high class American cotton crop being dumped on the world's markets and the general trade depression. It is, therefore, difficult to say to what extent the grower of staple cotton in India has benefited by the duty during this period but under normal conditions and circumstances an import duty on cotton should afford protection to the grower of these staples."

When the representatives of the Indian Central Cotton Committee tendered oral evidence before the Board, this point was further discussed, and Dr. Matthai asked whether, in the event of the Board accepting the suggestion that the duty on cotton should be restricted to particular grades, the Indian Central Cotton Committee had any suggestions to make in connection with the question of fixing a margin (*a*) to provide against indirect competition and (*b*) to allow for errors in testing. The Indian Central Cotton Committee

promised to send a considered reply on this point at a later date, and accordingly, towards the end of September, they informed the Board that Indian cotton of 1″ staple and below should be given effective protection, and that this object could be achieved if the maximum length of staple was fixed at 31/32″ with a margin of 3/64″.

In this connection it might be pointed out that the import duty on cotton was originally levied by Government in 1931 purely for revenue purposes. The duty, as was then admitted by the Finance Member himself, was in some ways inconsistent with the previous policy of the Government of India. The Association at that time protested against the duty on the ground that it offended against the canons laid down by the Fiscal Commission, and that it would hamper India's progress in the production of yarns and cloths of finer counts, for which raw material must necessarily be imported. However, realizing the difficulties of Government, the Association suggested the advisability of grading the tariff so as to tax only those varieties which competed directly with Indian cotton, and further indicated that a duty of half an anna per pound on cottons of $\frac{7}{8}$″ staple and under would probably meet the case. The suggestion was not accepted, and all foreign cotton became subject to the duty, which was levied with the avowed object of improving Government's financial position. In view, however, of the prominence given to the protective aspect of the duty in the course of the oral evidence tendered before the Tariff Board by the representatives of the Indian Central Cotton Committee, which they further supplemented, and as the Tariff Board were considering the question of protection in all its bearings, the Committee of the Association felt that it would, perhaps, assist the Board in arriving at proper conclusions on the issues involved if their own views on the subject were set forth. They, accordingly, pointed out, after explaining the circumstances under which the duty was levied, that if the Board were satisfied that it would be advantageous to the growers of cotton in India to impose a duty on cotton imported from abroad, then the most equitable method of protecting the interests of the cultivator without damaging the competitive capacity of the mills would be to impose the same rate of duty per pound on all cottons, and increase the protection found necessary on yarn and cloth by a corresponding amount. The reason for advocating this procedure was that if a dividing line was drawn to define competitive and non-competitive imports, the parity between long and short staple cotton would be upset, and demand might be switched from taxed to untaxed cotton to the disadvantage of the grower in India, e.g., supposing cotton of 1″ staple and under were to be taxed and longer cotton admitted free of duty, the probability was that mills in this country, rather than pay exorbitant prices for 1″ cotton would buy untaxed 1-1/16″ cotton, and the advantage of the duty to the grower would be considerably reduced. This, it was pointed out, could not happen if all cottons were equally taxed and the interests of the cotton mills and the handloom industry protected by the imposition of correspondingly higher duties on yarn and cloth, though it must be admitted that the interests of the consumers might be penalised to some extent if large-scale production of finer cloths did not effect a substantial reduction in manufacturing costs.

If, however, the Tariff Board, after full consideration were of the opinion that the interests of both the cultivator and consumer demanded the

imposition of a duty only on directly competitive imported cotton, or higher duties on competitive than on non-competitive imported cottons, then, it was urged, the dividing line should be 29/32″ with a margin of 1/32″ on the higher side, which would in effect mean that 15/16″ cotton would be subject to a higher duty than cotton of 1″ staple and over. The Committee's reasons for fixing the dividing line at a slightly lower figure than that recommended by the Indian Central Cotton Committee were that there had, for a number of years, been a definite deficiency in long-staple cotton in India and it was, further, the general experience of mills that, owing to scarcity, the premiums which had to be paid for staple cottons were consistently high in July, August and September, and that for some time past, all Indian cottons had been high in parity compared to Americans.

The deficiency in the existing supply of Indian cotton of $\frac{7}{8}$″ and over had already been clearly brought out in the statistics compiled by the Indian Central Cotton Committee, and it was, therefore, somewhat difficult to believe that, with such a deficiency, it was necessary to give artificial protection against imports of cotton of 1″ staple as recommended by the Indian Central Cotton Committee, especially when the demand for long-staple cotton was increasing rapidly from year to year. The decisions of the Tariff Board on this question are awaited. (*Appendix* **26.**)

PROTECTION TO THE INDIAN COTTON TEXTILE INDUSTRY.

(*See pages* 32 *and* 182 *of Report for* 1930.)

The Indian Finance Act of 1930 raised the revenue duty on cotton piecegoods from 11 to 15 per cent., and the Cotton Textile Industry Protection Act of the same year sanctioned the following rates of duty :—

Cotton piecegoods (other than fents of not more than nine yards in length) :—

(*a*) plain grey, that is, not bleached or dyed in the piece, if imported in pieces which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings :—

(*i*) of British manufacture .. *Ad valorem* 15 % or 3½ annas per pound whichever is higher.

(*ii*) not of British manufacture .. *Ad valorem* 20% or 3½ annas per pound whichever is higher.

(*b*) others :—

(*i*) of British manufacture. .. *Ad valorem* 15 per cent.

(*ii*) not of British manufacture .. *Ad valorem* 20 per cent.

The above scale of duties was to be in force up to the end of March 1933. The severe economic depression which prevailed in the country in 1930, very adversely affected the revenues of the Government of India, and in March 1931, import duties on all classes of piecegoods were raised by 5 per cent., no alteration being made in the rate of the minimum specific duty. The continued financial stringency which resulted from the accentuation of the world depression necessitated still further increases in the import duty, and a surcharge amounting to 25 per cent. of the existing scale of duties was levied at the end of September 1931.

The position, therefore, at the end of September 1931 was as below :—

Artificial silk yarn and thread.	..*Ad valorem* 18¾ per cent.
Cotton piecegoods (other than fents of not more than 9 yards in length) :—	
(*a*) Plain grey, i.e., not bleached or dyed in the piece, if imported in pieces which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings :—	
(*i*) of British manufacture	..25 per cent. *ad valorem* or 4⅜ annas per lb., whichever is higher.
(*ii*) not of British manufacture	..31¼ per cent. *ad valorem* or 4⅜ annas per lb. whichever is higher.
(*b*) Others :—	
(*i*) of British manufacture	..25 per cent. *ad valorem*.
(*ii*) not of British manufacture	..31¼ per cent. *ad valorem*.
Cotton twist and yarn ..	..6¼ per cent. *ad valorem* or 1⅞ annas per lb., whichever is higher.
Artificial silk piecegoods :—	
Piecegoods made entirely of artificial silk ..	..50 per cent. *ad valorem*.
Artificial silk mixtures :—	
(*i*) Piecegoods in which any portion of the warp or weft, but not both, contains artificial silk ..	..34⅜ per cent. *ad valorem*.
(*ii*) Piecegoods containing artificial silk both in the warp and weft ..	..50 per cent. *ad valorem*.

It is now necessary to go back to the Finance Act of 1930. The Honourable Sir George Schuster, in his Budget statement which preceded the Finance Bill of 1930, indicated that the special protective duties would be imposed for a period of three years only, and that at a convenient date before the termination of this period, their effect and the whole position of the industry, should be re-examined in a Tariff Board enquiry, and in the debate which followed in the Assembly on the Cotton Textile Industry Protection Bill, the Honourable Sir George Rainy also gave a similar undertaking.

Accordingly, early in April during the year under review, the Government of India directed the Tariff Board to examine the following questions and to make recommendations :—

(1) Whether the claim of the Indian Cotton Textile Industry to protection has been established ;

(2) if the claim is found to be established, in what form protection should be given and to what extent ;

(3) if it is proposed that protection should be given by means of import duties :—

(*a*) whether the same rate of protection is required against the competition of goods manufactured in the United Kingdom as against competition of goods manufactured elsewhere, and

(*b*) what rates of duty are recommended in respect of (*i*) cotton piecegoods, (*ii*) piecegoods made wholly or partly of artificial silk and (*iii*) cotton twist and yarn according as they are manufactured (*a*) in the United Kingdom and (*b*) elsewhere.

It was explained by Government in a preamble to the terms of reference :—

"Since the Cotton Textile Industry (Protection) Act was passed three noteworthy changes have occurred. In the first place, the rates of duty imposed on cotton piecegoods under the Act have been raised by two successive Finance Acts and are now levied at a rate substantially higher than the Legislature found to be necessary to give temporary shelter to the indigenous industry.

"In the second place, a very large increase has occurred in the imports of piecegoods made wholly or partly of artificial silk, and the duties on such goods have been raised to rates applicable to goods made wholly or partly of real silk.

"Finally, the Government of India have decided to discuss at the forthcoming Imperial Conference at Ottawa the question whether Great Britain and India should enter into a trade agreement embodying a preferential tariff regime so designed as to benefit the trade of both countries."

The Tariff Board consisted of :—

Dr. John Matthai (*President*).
Mr. Fazal Ibrahim Rahimtoola.
Mr. G. T. Boag. } *Members.*

The Association's written statement to the Board, which was submitted at the end of May, briefly summarized the various events which led up to the appointment of the first Tariff Board in 1926 and subsequent developments which culminated in the passage into law of the two measures of Protection dealing with yarn and cloth. This was followed by a statement of the measures taken by the industry to rehabilitate itself on the lines laid down by the first Tariff Board, and later on by an examination of the reasons why the protection granted in 1930 had failed to secure in many respects the relief that was intended. The nature and extent of foreign competition in the Indian piecegoods trade were then examined, and it was pointed out that the difficulties of the Indian Industry had been greatly accentuated by Japan going off the gold standard, and the resulting drop in the value of the Yen made it very easy for Japanese manufacturers to compete effectively in price in all medium and fine goods. It was, therefore, urged that the position should be carefully watched, and if during the next few months Japanese imports into India were abnormally heavy or exceptionally cheap, the Government of India, it was suggested, should be given powers similar to those given to the Board of Trade in England under the Abnormal Importations Act 1931. (*Appendix* **27.**)

Depreciation of the Yen and the Deputation to Government.

Before the Tariff Board had proceeded very far in their enquiry, the Yen had depreciated heavily. The position was considered by the Committee, and on 28th June, the following telegram was sent to the Government of India :—

"Millowners' Association, Bombay, invite Government's urgent attention to serious menace to Textile Industry arising from continued and alarming depreciation of Japanese yen. It has slumped to half of what it was six months ago and is greatly below parity which existed when both Japan and India were on gold standard thus giving enormous advantage to Japanese exporters. This depreciation coupled with recent cotton and exchange operations has resulted in Japanese yarn and piecegoods being sold in Indian market at ruinous rates. Association earnestly request Government to take immediate action similar to that taken in Canada, Australia, South Africa and other countries imposing additional duties equivalent to reduction in selling price owing to depreciated value of exchange. Situation likely to become even more serious in near future as large orders have been booked for forward delivery and industry cannot afford to wait until Tariff Board report. Association invite Government's attention to Act XIV of 1899 and urge that depreciation of exchange should be regarded as indirect bounty as in France where action was taken by Presidential Decree on 12th November last under analogous circumstances. Association submit Government should take immediate action and impose additional duty on Japanese goods equivalent to difference between normal and present parity."

Similar representations were also made by certain other Chambers and Associations, and ultimately, a deputation consisting of—

Mr. H. P. Mody, M.L.A. The Hon. Mr. H. M. Mehta Mr. T. Maloney	from the Millowners' Association, Bombay,
Seth Chamanlal G. Parekh Mr. Sakerlal Balabhai Mr. G. I. Patel	from the Ahmedabad Millowners' Association,
Mr. G. Morgan, M.L.A. Mr. Robert Scotson	from the Bengal Chamber of Commerce,
Mr. Mukerjee	from the Bengal Hosiery Manufacturers' Association,
Mr. John Tinker Mr. Price	from the Upper India Chamber of Commerce,
Mr. Z. A. Kurshaid	from the Calcutta Hosiery Association,
Mr. R. R. Haddow Mr. L. A. Halsall	from the Bombay Chamber of Commerce,

waited on the Honourable the Commerce Member of the Government of India at Simla on 11th July to explain the urgency of the situation and the necessity for emergency measures.

Mr. H. P. Mody, the Chairman of the Association, in presenting the Deputation's case, mentioned the main facts in connection with Japanese exchange. He drew Government's attention to the rapid decline in the price of Japanese yarn and cloth, and the rise in imports which had taken place since Japan abandoned the gold standard. Discussion then ensued as to the manner in which the situation could be met, and various suggestions were made. But it was agreed on all hands that relief, by whatever means it was afforded, should be prompt. The Deputation then withdrew, Government having promised to give careful consideration to the points urged by them.

On the Deputation's return to Bombay, the situation was again considered by the Committee, and on 22nd July, the Chairman wired to Government as follows :—

" Millowners' Association, Bombay, on behalf of Indian Textile Industry urge Governor-General-in-Council after necessary enquiry to take early action under section 3 (5) of Tariff Act read with relevant item in Import Tariff schedule and raise duties on imported foreign cotton piecegoods in view of abnormal competition rendering ineffective protection afforded by present duties. Letter setting forth grounds of application follows."

Section 3 (5) of the Indian Tariff Act provides that :

" If the Governor-General-in-Council is satisfied after such inquiry as he thinks necessary that articles not of British manufacture chargeable under part VII of second schedule with higher duty than similiar articles of British manufacture are being imported into British India from any place outside India at such a price as is likely to render ineffective or excessive the protection intended to be afforded by such duty to similar articles manufactured in India he may by notification in the *Gazette of India* increase or reduce such duty to such extent as he thinks necessary either generally or in respect of such articles when imported from or manufactured in any country or countries specified in the notification, provided that the duty leviable on any such article shall in no case be less than the duty leviable on a like article of British manufacture."

Briefly stated, the grounds on which action as suggested in the above telegram was urged by the Association, were :

The Yen had depreciated heavily. The indications were that this depreciation would continue for a considerable time and might even be accentuated. Coupled with the circumstance that Japanese industrialists bought enormous quantities of American cotton and remitted large sums abroad to finance further purchases of raw materials before Japan went off the gold standard, and Japanese houses in India covered exchange some time ago to the tune of millions of pounds at favourable rates, the depreciation of the Yen constituted a factor which was calculated to inflict serious injury to the Textile Industry of India.

Statistics collected by the Association and placed before the Simla Conference showed that since the Yen depreciated from its normal parity of about Rs. 137 per Y. 100 in February 1932 to about Rs. 104 per Y. 100 at the end of June, C.I.F. prices of Japanese cloth and yarn had been reduced by about 25 to 30 per cent. In the case of art silk piecegoods, the rates at which Japanese manufactures were being sold in India absolutely defied competition. When it was taken into consideration that the prices realized

by the Indian mills for their manufactures had been below the cost of production even in the most efficiently managed mills, it would be realized how the continuous drop in the price of Japanese imports which had been taking place for a long time and which had been precipitated by the depreciation of the yen was affecting the industry. Even if the Yen were to appreciate in the immediate future, it would have no effect on the position of the local manufactures as heavy orders for Japanese goods had been booked at very low rates for the next few months. Imports into Bombay in June showed an alarming increase, and there was every reason to fear abnormal arrivals in the next few months.

The results were reflected in the number of looms and spindles which had to be stopped in Bombay ; but, in spite of the reduced activity, stocks of cloth in the hands of mills had gone up by about 45,000 bales over the figures of the 29th February and yarn by about 12,000 bales in the same period.

It was, therefore, apparent that action was urgently called for, if the industry was to be saved from ruinous competition, aggravated at a time when its position was extremely weak. Unfortunately, in the absence of statutory provisions such as existed in most other countries, the Government of India could only take action in a limited field, and apart from the promulgation of an Ordinance, which was considered at the Conference, and for which a precedent also existed, it would appear that the *only immediate action* Government could take was under section 3 (5) of the Indian Tariff Act. That section could help the industry only in respect of cotton piecegoods, and left unprotected yarn and art silk piecegoods in which competition was equally severe. That was really unfortunate, but as no other provisions existed in the law of the land, by which Government could take immediate executive action, the only thing the industry could do was to invoke the application of that section.

Enquiry by Tariff Board on Exchange Depreciation.

The Association's application was immediately followed by the following Government resolution on 25th July :—

> The Government of India have received an application from the Indian Cotton Textile Industry requesting the Governor-General-in-Council in exercise of his powers under section 3 (5) of the Indian Tariff Act 1894 should increase the duty leviable on cotton piecegoods not of British manufacture under item 158 in Part VII of Import Tariff on the ground that such articles are being imported into British India at a price likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India. The Government of India have decided that an immediate enquiry should be made by the Tariff Board with the following terms of reference :—
>
> To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such articles under Part VII of the Second Schedule of Indian Tariff Act, 1894, by Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India and if so to consider
>
> (*a*) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods not of British manufacture or in respect of cotton piecegoods, plain grey only, or of cotton piecegoods, others, only

(*b*) whether the duty should be increased generally or in respect of such articles when imported from or manufactured in any country or countries specified, and

(*c*) for what period any additional protection found to be required should be given and to make recommendations.

The Committee immediately wired to Government, urging the desirability of widening the terms of reference so as to include cotton yarn and artificial silk piecegoods so that if the Tariff Board recommended, Government could introduce a Bill for temporarily raising duties during the September session of the Legislative Assembly, but Government did not accept the suggestion.

The Association's written evidence to the Tariff Board on the supplementary enquiry was mainly devoted to the presentation of statistical and other data showing the drop in prices which had taken place from time to time in the prices of representative lines of Japanese manufactures since Japan went off the gold standard, and generally supporting the facts urged in the case for enquiry submitted to the Government of India. Referring to the measure of protection required by the industry, it was urged that it should be at least sufficient to offset the reduction in price that had taken place particularly during the last few months. If the figures proved a reduction of 30 per cent. in the rupee c.i.f. prices, then the additional duty required would be roughly 50 per cent., the basis of the demand being the depreciation in the value of the Yen and the abnormal drop which had then taken place in the price of Japanese goods. If, however, the Government of India found themselves unable to impose a higher duty on Japanese goods alone in the face of the Indo-Japanese Convention, then, it was suggested that increased duties should be levied against all foreign countries. The imports from foreign countries other than Japan constituted, in 1931, less than 7 per cent. (including artificial silk piecegoods) of the total imports into the country, and additional duties such as were suggested would not, it was thought, appreciably affect the interests of the consumer.

The Association further urged that the protection which the industry required should not be for a period of less than six months. If during that period, the value of the Yen in terms of the Rupee appreciated, it was submitted that no change should be made in the rate of the specific duty for the reason that Japan had already had the benefit of a depreciated exchange for several months during which she had sold her goods freely not only for ready delivery but for shipments as far ahead as November and December, and an appreciation of the Yen in the immediate future would not affect the position in the least. On the other hand, in view of the possibility of a further depreciation in the value of the Yen, it was essential that Government should be in a position to increase the special duty by executive action without any further enquiry at every drop of, say, 10 per cent. in the exchange value of the Yen.

Interim Report of the Tariff Board.

The Board found that the only country of those which sent cotton piecegoods into India, whose currency had depreciated in relation to Indian currency as compared with the rates prevailing when protection was granted

to the Indian industry was Japan, and after tracing the course of the Rupee/Yen exchange and the prices at which cotton piecegoods had been and were being imported into India from Japan, reached the conclusion that the dominating factor in the decline in prices of these imports had been the depreciation in the value of the yen in terms of the rupee. This conclusion, in their view, was supported by the fact that since June a distinct upward movement in the price of raw cotton had taken place, while the extent to which the precipitate fall in the value of the Yen had assisted the imports of piecegoods into India was illustrated by the large increase in the volume of such imports from Japan which took place during the month of June, these imports representing contracts made since February when the fall in the value of the Yen below parity began. The Board also made it clear that while the effect of a depreciated exchange upon the price of exported goods was of a temporary nature, it was capable, while it lasted, of inflicting serious injury on a manufacturing industry in the country of import. The Board, therefore, held that the grant of additional protection to the Indian Cotton Textile Industry had become immediately necessary, and working from the basis of prices current in March 1930 and of the rate of duty then fixed, calculated, taking the value of the Yen at Rs. 106 to 100 yen (the average rate during July) and making the necessary allowance for the fall in the price of raw cotton, that the *ad valorem* duty on cotton goods not of British manufacture should be raised to 53 per cent. in order to restore the measure of protection intended to be given.

The Board, however, expressed a doubt whether, in the particular circumstances, alteration of the rates of customs duties was the most suitable form in which to give the additional protection required, and suggested that Government should examine the possibility of using the powers conferred on them under section 3 (5) of the Tariff Act to raise the value of goods imported from a country with a depreciated exchange for the purpose of assessment to duty, to such an extent as might be necessary from time to time to counteract falls in prices. Failing the acceptance of this suggestion by Government, they recommended that the *ad valorem* duty on cotton piecegoods not of British manufacture should be raised to 50 per cent. but made no recommendation in regard to the minimum specific duty on plain grey cotton piecegoods.

In reviewing the findings of the Tariff Board, the Government of India stated they were unable to accept the first suggestion made by the Tariff Board, as in their opinion " *ad valorem* duties are assessed on the actual value of the goods imported as nearly as it is capable of ascertainment," and the object of the statutory provision cited by the Board " is not to enable arbitrary valuations to be assigned for particular purposes, but to provide a method of fixing, after a careful consideration of market prices, as an alternative to assessment on ' real value ' as defined under section 30 of the Sea Customs Act." They, however, accepted the alternative recommendation in respect of the *ad valorem* duty on cotton piecegoods. As regards the then specific duty on plain grey goods, Government were satisfied that the Governor-General-in-Council had power to alter this element equally with the *ad valorem* duty, for in their opinion, the two elements in the duty were inseparable, and the rate of duty applicable as a whole to articles not of British manufacture was higher than the rate applicable to similar articles of

British manufacture. Further, having regard to the findings of the Board, and to the great importance to the Indian Cotton Textile Industry of plain grey class of goods, they considered that any measure of additional protection which omitted this class of imports from its scope would, to a large extent, fail of its object. Government, accordingly, decided, following the principles adopted by the Board in calculating the increase necessary in the rate of *ad valorem* duty, that the then specific duty on plain greys should be raised to 5¼ annas per lb., the increased rate taking effect from 30th August and remaining in force till the end of March 1933. The following scale of duties accordingly came into operation on 30th August :—

Cotton piecegoods (other than fents of not more than nine yards in length) :—

(*a*) plain grey, that is, not bleached or dyed in the piece, if imported in pieces which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings :—

(*ii*) not of British manufacture .. 50 per cent. *ad valorem* or 5¼ annas per lb., whichever is higher.

(*b*) Others.

(*ii*) not of British manufacture .. 50 per cent. *ad valorem*. (*Appendix* **28.**)

ASSOCIATION'S ANSWERS TO THE TARIFF BOARD'S QUESTIONNAIRE.

With the supplementary enquiry out of their way, the Committee of the Association were able to devote their attention to the questionnaire issued by the Board in connection with the main enquiry. The major portion of the answers to the questionnaire was devoted to an examination of the cost of manufacture of representative types of cloth (in which foreign competition was most severe) in selected mills. Most of the other points raised in the questionnaire had already been covered in the Association's original representation. Referring to the nature and extent of protection required by the industry, it was stated that it was only by a system of minimum specific duties in addition to *ad valorem* duties that the industry could be effectively protected, and the Board was asked to fix such duties with regard to all the principal lines of cloth imported from abroad. The specific duties, it was submitted, should be sufficient in each case to cover the difference between a reasonable selling price for the industry and the price now realized ex-duty. The Association had submitted detailed statements of working costs and realized prices, and it was proposed that the specific duty for each class of goods should be fixed at such level as would cover the difference between the two *plus* a reasonable allowance for depreciation, interest on working capital and profit. It was further urged that whatever duties were recommended as reasonable by the Tariff Board, it was obvious that unless legislation was undertaken, which would enable Government to deal with abnormal situations, no measure of protection could ever be effective. It was hoped that the Board would stress this aspect of the case and would make it clear that their recommendations with regard to specific and *ad valorem* duties were to be regarded as subject to modification if circumstances altered, and through bounties, depreciation of currencies or otherwise, conditions in exporting countries enabled them to market their manufactures in India under conditions which would prove ruinous to the indigenous industry.

As regards the period of protection, a minimum of ten years was suggested, for if the industry was to find the money for re-equipment and achieve its proper development under the shelter of protection, it was thought, it should have an assurance that for a reasonable period of time, at any rate, it would not be exposed to foreign competition ; and at the end of ten years, it was added, the position might be reviewed in the light of all that had happened in the interval.

Oral evidence on behalf of the Association was led by a special Sub-Committee consisting of Mr. H. P. Mody (*Chairman*), Mr. Ahmed F. Currimbhoy (*Deputy Chairman*), Sir Munmohandas Ramji, Kt., Mr. S. D. Saklatvala and the Hon'ble Mr. H. M. Mehta, assisted by the managers and technical staffs of a number of mills.

The Board subsequently examined the representatives of other associations and chambers of commerce in Bombay and elsewhere, and, it is understood, submitted their report to Government in November ; but it is not likely that the report will be published before the end of February 1933.

DUTY ON IMPORTED YARN.

Effect on the Handloom Industry.

Early in May, the Tariff Board requested the Association to express an opinion on certain proposals made by the Director of Industries, Madras, for resuscitating the handloom industry of that province. Briefly stated, what he suggested was that the duty on yarn of above 40s counts should be abolished, and all handloom appliances and accessories should be admitted free of duty. One of the main arguments advanced in support of this proposal was that owing to the enhanced duty on imported yarns, the handloom weavers were constrained to purchase Indian mill-made yarn, which in his opinion was inferior to imported yarn as regards colour, regularity of count, tensile strength, etc., and for these reasons, it was urged, their production had suffered. The Director of Industries had himself admitted that evidence as to the effect of the duty on the different sections of the handloom industry and on the economic conditions of the handloom weaver was difficult to obtain ; out of the 20 firms interested in imported and Indian yarns, whom he had sounded on the question, only one firm definitely recommended the abolition of the duty on yarn over 40s.

The import duty on yarn was increased in 1927, and again in 1930 for weighty reasons, which, the Committee felt, it was not necessary for them to refer to in detail. The possible effects of the enhancement in the import duty on yarn on the handloom industry of the country, were fully dealt with by Sir George Rainy in the Legislative Assembly, in the Report of the Select Committee on the Yarn Protection Bill of 1927, and in the separate Note made by Sir Victor as a member of the Select Committee. The Committee, however, indicated that if, as a result of their investigation, the Board came to the conclusion that the import duty on counts above 60s should be kept at the level prevailing before 1927 in the interests of the handloom industry,

there would not be any serious opposition from the Association. The proposal to exempt from import duty handloom appliances and accessories was accepted by the Committee.

The question of the removal of the duty on yarn was again raised by the Tariff Board during the examination of the Association's witnesses, and the Committee were asked to consider whether it would be possible for them to modify their former attitude. In reply, the Committee pointed out that the production of the handloom industry might for practical purposes be divided into three distinct classes: (*a*) cloth produced from yarn of 20s and below; (*b*) cloth made from medium counts of yarn, say up to 44s; and (*c*) cloth made from fine count yarns.

As regards the first category of production, the position was that for many years the handloom industry had obtained practically the whole of its supplies of yarn from Indian mills. In 1927, when the yarn duty was first imposed, there was an undoubted and admitted danger of Japanese mills in China flooding the Indian market with coarse count yarns, owing to the low manufacturing costs in that country compared with India, made possible by inferior labour conditions. This danger was removed by the specific duty of 1½ annas per lb. As the labour conditions in China had not changed to any appreciable extent since 1927, the case for the retention of the duty on coarser counts of yarn held good, provided it could be shown that the spinning industry of this country had not profiteered at the expense of the handloom industry. That no profiteering had taken place was demonstrated by the following statement:—

	Price per lb. of 20s yarn (Indian). Rs. a. p.	Price of Broach cotton per candy. Rs.
Beginning of:—		
January 1927 ..	0 9 3	254
January 1928 ..	0 11 6	379
January 1929 ..	0 12 3	358
January 1930 ..	0 10 9	306
January 1931 ..	0 7 6	174
January 1932 ..	0 7 9	199

It was an undoubted fact that mills in India in January 1927 were not obtaining remunerative prices for their yarn. If, therefore, a comparison was made between the price of yarn and the price of cotton in the years subsequent to 1927, it was possible to arrive at an estimate as to whether the handloom industry had been overcharged since the 1½ annas specific duty on yarn was imposed. The position was that, compared with the beginning of January 1927, the price of yarn at the beginning of January 1928 went up by 2¼ annas per pound. The rise in cotton was Rs. 125, or roughly 2½ annas per pound. In January 1929, the price of 20s yarn was 3 annas higher and the price of cotton just over 2 annas higher than in January 1927. In January 1930, the price of yarn was 1½ annas higher and the cost of cotton just over one anna higher than in January 1927. In January 1931, the price of yarn was 1¾ annas lower and the price of cotton 1½ annas lower than in January 1927. In January 1932, the price of yarn was 1½ annas and the price of cotton a little more than an anna less than in January 1927.

With the possible exception of 1929, the figures revealed that certainly no more than economic prices, and often less than economic prices, had been charged by Indian mills for their yarn. Even in 1929, the prices of yarn rapidly adjusted themselves to the price of cotton. During 1932, a new situation had arisen owing to the steady depreciation of the value of the yen, and latterly, quotations for Japanese yarns had fallen so low as to make it possible for Japanese mills to compete successfully even in low counts despite the specific duty of $1\frac{7}{8}$ annas per lb.

Medium counts of yarn.—The handloom industry was not a very extensive user of medium counts of yarn. In this particular line of production, that industry had found it difficult to compete against the power-loom industry. This being the case, it was unnecessary to take the handloom industry into consideration when estimating whether it was desirable or feasible to remove or reduce the existing scale of duties on medium count yarns, since the interests of the power-loom industry were paramount, and it might at once be said that the removal or reduction of import duty would be against the interests of the country. China and Japan had for many years been able to compete in price against Indian mills in medium counts of yarn, and it was only because mills used their own yarn in preference to imported yarn that imports had been kept down to reasonable limits. The removal of the duty would so widen the disparity in prices between Indian mill yarn and imported yarns that it would pay mills to close down that portion of their plant at present devoted to the manufacture of medium counts of yarns, and buy imported yarn for weaving purposes. This would mean the throwing out of employment of a very large number of workpeople, and would put a stop to the progress in the production of medium count yarns which had been a feature of the last few years. The difficulties of the industry in regard to medium counts were graphically demonstrated by a study of the relative quotations for Japanese and Indian mill yarns of 40s during the last few months. In the middle of August, for example, the quotation for Japanese 40s yarn was 8.4 annas per lb. C.I.F. or about $10\frac{1}{4}$ annas per lb. including duty. At that time, the bare cost of producing a similar yarn in India was $11\frac{1}{2}$ annas per lb. In regard to medium counts, consideration must also be given to the fact that for many years to come, Indian mills would have to depend for their raw materials on other countries, and that there was little doubt that the competitive capacity of Indian mills had already been seriously impaired by the duty of half an anna per lb. imposed on imported cotton. If, in addition to this handicap, mills were called upon to give up the protection afforded by the specific duty on yarn, their position would become practically untenable as far as medium counts were concerned.

Finer counts of yarn.—It was admitted that it would be extremely desirable to encourage the production of certain types of fine cloth by the handloom industry. It was, however, doubtful whether it would eventually be in the interests of India as a whole for the handloom industry to be entirely dependent upon imported yarn for this portion of its production, though it was equally open to question whether Indian mills would, for some time, be in a position to become substantial suppliers of fine yarns to the handloom industry even if the duties were retained at the present level. On a review of all the circumstances, the Committee were agreed, provided the interests of

the mill industry in respect of fine cloth were safeguarded by an adequate protective duty, that the duty on fine yarns might be reduced to 5 per cent., and that the specific duty might be removed. In arriving at this conclusion, they were aware that it opened up the possibility of the establishment of a competitive power-loom weaving industry since it would undoubtedly pay to erect weaving sheds to produce fine cloth from imported yarn. Against such factories, Indian mills doing their own spinning and weaving might not be able to compete. If such an industry were established, the position of the handloom industry—with which it would compete to some extent—might possibly be worse than it was at the moment.

The conclusions of the Committee in regard to yarn duties were in no way different from those previously expressed to the Board, but it was hoped that the fuller statement of the case which had been made would convince the Board that the conclusions which were then arrived at were undoubtedly warranted by the facts. (*Appendix* **29.**)

ANTI-DUMPING LEGISLATION FOR INDIA.

In the discussions which took place at the Simla Conference early in July, it was pointed out on behalf of the associations and chambers of commerce represented at the Conference that, while the executive authorities in most countries had acquired powers to take prompt and effective action when trade and industries were threatened by the dumping of foreign products, the Government of India had no such powers, the executive action which they could take under section 3 (5) of the Tariff Act being limited to cotton piecegoods and certain articles of iron and steel not of British manufacture. The recent fall in the value of the Yen had exposed a number of Indian industries to the severity of Japanese competition, and it was unfortunate that Government were unable, except in the case of the Cotton Textile Industry—and that too only in respect of cotton piecegoods—to come to the immediate relief of the industries concerned, and if in a case of emergency, Government were to find themselves unable to do anything without consulting the Legislature, irreparable injury might have been done to the interests of the country.

As far back as 1922, the Indian Fiscal Commission had recommended legislation containing a special clause to protect indigenous industries against exchange dumping. This demand had also been reiterated on two occasions by the Indian Tariff Board. In their report on the "Protection for Galvanized Sheets" they stated that if serious damage to home manufactures resulting from a rapid fall in the price of foreign goods due to whatever cause was to be avoided, prompt action was necessary, and such action could only be taken "by the adoption of measures which do not involve legislative sanction." They made an almost identical statement in their report on Protection to the Steel Industry.

The matter was, therefore, taken up by the Committee, and in a representation addressed to the Government of India early in September, the demand for special legislation which would enable Government to deal

with abnormal situations in the future more promptly and effectively than was possible under the existing law, was renewed.

The need for immediate intervention by Government for the assistance of an indigenous industry might, it was pointed out, arise in any one of the following ways :—

(1) When imports from foreign countries were sold in this country at prices lower than the prices at which they were sold in the country of manufacture.

(2) When imports from foreign countries had the benefit of direct or indirect bounties or subsidies, which might place those industries at a certain advantage compared to the industries of this country.

(3) When the currency of the exporting country had depreciated below its normal parity with the rupee, and goods were, or were likely to be, exported to India at low rupee prices, to the detriment of an Indian industry or industries.

(4) When for any reason whatsoever, goods were imported from other countries in such quantities or at such prices as seriously to affect the interests of home industries.

As regards (1), it might, perhaps, be difficult to ascertain the price at which particular articles imported into this country were sold in the country of manufacture, but if at any time satisfactory evidence was adduced by manufacturers in this country to the effect that particular goods imported from other countries were being sold in those countries at prices higher than the prices at which such goods were being imported into India, it was urged, Government should, in the interests of the indigenous industry, levy on the particular imports a duty equivalent to the difference between the rates at which they were sold in the manufacturing country and those at which they were imported into this country. The Indian Tariff Board of 1926, which investigated the conditions of the Cotton Textile Industry had, however, held that 'dumping' in the strict sense of the term would be difficult to prove, but this difficulty had been satisfactorily overcome in Canada, where section 6 of the Customs Tariff Act empowered Government to levy a special dumping duty on all goods imported at less than a fair selling price in Canada, whatever the price at which the goods were actually sold for local consumption in the exporting country. In such cases, the special or dumping duty was in addition to the ordinary customs duty on such imports, and was equivalent to the difference between the actual selling price and the fair market value of the goods, as fixed by the Governor-General. The Committee, therefore, pointed out that the Canadian legislation might provide a suitable basis for legislation in this country to enable Government to deal with dumping of this character.

The second kind of dumping occurred when imports from foreign countries had the benefit of direct or indirect bounties or subsidies which might place those industries in the exporting country at a certain advantage

compared with the industries of this country. The Government of India had the necessary powers under the existing law to impose an additional duty on imports which enjoyed the benefit of a bounty or grant in the country of origin, but it was suggested that these provisions with minor alterations might form part of the special legislation which was proposed.

The third kind of dumping took place when the currency of the exporting country depreciated below its normal parity with the rupee. In this connection, Government's attention was drawn to the legislative measures recently enacted in Canada, France, Italy, Germany, South Africa and Australia against exchange dumping, and it was urged that whatever legislation Government might ultimately decide to adopt to deal with dumping of this character, it should provide for effective and expeditious action by the executive.

A case for effective action might also arise when, for any reason whatsoever, goods were imported from other countries in such quantities or at such prices which would seriously affect the interests of the home industries. The Abnormal Importations Act recently passed by Great Britain empowered the Board of Revenue to levy an import duty up to 100 per cent. on such goods as were being imported in abnormal quantities. The most noteworthy feature of this legislation was that it empowered Government to take immediate executive action, irrespective of the reasons which made such abnormal importations possible or the prices of imported goods as compared with local goods, subject only to subsequent confirmation by Parliament. The Abnormal Importations Act was subsequently superseded by the Import Duties Act of 1932, but even under the new measure, power was retained to impose duties over and above those of the general tariff on articles of luxury or articles of a kind which were being produced or were likely within a reasonable time to be produced in the United Kingdom in quantities which were substantial in relation to the United Kingdom's consumption.

The above is only a brief summary of the various circumstances under which dumping might arise, and of the various measures taken by other countries to meet the situation in each case. It was for the Government of India, after a study of the measures adopted in other countries, and the particular conditions prevailing in India, to frame a Bill calculated to render prompt and effective assistance to industries whose interests were threatened owing to any of the causes already specified, and it was hoped that since the need for such legislation was recognized on all hands, Government would lose no time in bringing the necessary Bill before the Legislature.

There was one further point which required to be dealt with in regard to the proposed enactment. It was that Government should not be debarred from enforcing the provisions of any safeguarding measure because of the existence of any Commercial Treaty or Convention. In any new trade agreements which Government might enter into, express provision should be made for this purpose. As regards the existing Trade Conventions, however, the position was more difficult. Very recently, Government had found that they could not impose an additional duty on Japanese piecegoods alone

in view of the terms of the Indo-Japanese Trade Convention. If the view that Government had taken be correct, the course of action which was obviously called for was that Government should denounce the Convention or secure its modification, so that it should not be held in future to be a bar against the adoption of any special measures which might be necessitated by the dumping of Japanese goods. It might be noted in this connection that after Great Britain had gone off the gold standard, countries having Trade Conventions with her containing the most-favoured-nation treatment clause, did not hesitate to impose additional duties on imports from Great Britain. Thus, the French Government thought they were justified in not continuing to Great Britain the most-favoured-nation treatment after her departure from the gold standard. Again, Great Britain had to protest against the drastic reduction of the German coal import quota, and Germany's reply was that the whole basis of the trade treaty had been altered by the British change over from Free Trade to Protection, and offers were made for fresh negotiations. Whatever might be the juristic view of the matter, it was obvious that no Trade Convention should be allowed to stand in the way of effective protection of indigenous industries when their interests were threatened by abnormal importations from other countries.

The Association's case for special legislation to counteract dumping was subsequently supported by several important associations and chambers of commerce in the country, but no indications are available to show what action Government propose to take in the matter. (*Appendix* **30.**)

OTTAWA CONFERENCE—TARIFF AGREEMENT BETWEEN THE UNITED KINGDOM AND INDIA.

Early in April, in reply to a question by Mr. C. S. Ranga Aiyer, the Hon'ble Sir George Rainy stated in the Legislative Assembly :—

"The Government of India have agreed to send a delegation to the Imperial Economic Conference which will meet at Ottawa in July next. They have been informed that the principal item on the agenda of the Conference will be the discussion of a policy of trade agreements between different countries of the Empire and they have been invited to consider the question whether, having regard to the new tariff policy of His Majesty's Government in the United Kingdom, Great Britain and India should enter into a tariff agreement embodying a reciprocal preferential regime so designed as to benefit the trade of both countries. The Government of India have accepted this invitation and His Excellency the Viceroy has, with the approval of the Secretary of State for India, appointed the following gentlemen to represent India at the Conference :—

Leader : Sir Atul Chatterjee.

Members : Mr. R. K. Shanmukham Chetty,
Sir Padamji Ginwala,
Seth Haji Abdoola Haroon,
Sahibzada Abdus Samad Khan, and
Sir George Rainy.

If the conclusion of a trade agreement is recommended as a result of the Conference, any changes in the tariff which it may involve will be duly placed before the Legislature for its approval. The Government of India have no wish to put any such changes into effect unless the Legislature is satisfied that they are in the interests of India."

In this connection, a brief narrative of the principal events which preceded the Conference and which were largely responsible for the ultimate fomulation of reciprocal tariff agreements between the United Kingdom on the one hand and the Dominions and India on the other hand may not be out of place.

The Imperial Conference of 1930, held at London, expressed its belief that " the further development of inter-Imperial markets is of the utmost importance to the various parts of the Commonwealth," and resolved that the Economic Section of the Conference " be adjourned to meet at Ottawa on a date within the next twelve months to be mutually agreed upon, when the examination will be resumed with a view to adopting the means and methods most likely to achieve the common aim, provided that this reference is not to be construed as modifying the policy expressed on behalf of any of the Governments represented at this Conference." The discussions of the London Conference, it would appear, had been influenced by a declaration made by His Majesty's Government in the United Kingdom at an early stage of the proceedings to the effect that they were opposed to any policy involving duties on foodstuffs or raw materials, and the economic discussions of the Conference were, therefore, concentrated not on tariff questions, but on certain other alternative methods of promoting trade within the Empire, and it was the failure to come to any unanimous conclusions on these matters, which was chiefly responsible for the decision to hold an adjourned Conference on economic questions in the following year. For various reasons, however, the adjourned Conference could not be held in 1931, and was postponed to August 1932.

In the intervening period, events of far-reaching import had occurred in the United Kingdom. Up to the autumn of 1931, the tariff policy of the United Kingdom was based on the principles of free trade. Customs duties for revenue purposes were levied on selected commodities, and were frequently accompanied by countervailing excise duties. Since the war, however, duties had been imposed on certain commodities for protective rather than for revenue purposes, as, for example, the so-called Key Industries and Safeguarding duties, but these departures from strict free trade orthodoxy were occasional rather than systematic. So long as this policy was maintained, it was impossible for the United Kingdom to participate in any general scheme of tariff preferences. Nevertheless, from 1919 onwards, it appeared that His Majesty's Government was ready to encourage Empire trade by the grant of preferences so far as this could be done within the limits of her own fiscal policy. It was for this reason that such Empire products as tea, coffee and tobacco were allowed to enter the United Kingdom at substantially lower rates of duty than those applicable to foreign products. The accession to power of a National Government in the United Kingdom in August 1931, and the overwhelming majority which they obtained in the General Election which followed, created an entirely new situation. Their plans included the imposition of a general tariff both for protection and for revenue purposes, and early in 1932, the Import Duties Act was passed. That Act imposed a 10 per cent. rate of duty on all commodities not subject to duty under earlier Acts or not included in the Free List prescribed under the Act. It also set up an Advisory Committee, and empowered Government, on the advice of that

committee, to increase the rates of duty above 10 per cent. and since the passing of the Act, the duties on a number of commodities had been increased. The Act also contained a provision by which products of the Dominions and India were exempted from the operation of the new duties up to the 15th November 1932, but then became subject to them, unless before that date an Order in Council had been made exempting them for a further period. When the Import Duties Bill was introduced in the House of Commons, it was stated on behalf of His Majesty's Government, that the question of reciprocal tariff arrangements between the United Kingdom on the one hand and the Dominions and India on the other would be discussed at the impending Imperial Conference at Ottawa, and that if satisfactory agreements were concluded, necessary Orders in Council would be made for the continuance of the exemption of their products from duty, but continuance of such exemption in the absence of an agreement was not guaranteed.

The question of Imperial Preference had been before the Government of India on various occasions, but their attitude on the subject might be summarized as follows :—

(1) it was not clear that India had much to gain from the adoption of a general scheme of Tariff Preferences within the Empire ;

(2) there were undoubted difficulties about India's participation in any such scheme, difficulties arising both from the policy of Discriminating Protection which had been adopted and from the importance of the Customs head as a source of Central Revenues ;

(3) on a balance, there were no sufficient grounds why India should support a scheme of the kind indicated. To that attitude India might well have adhered but for a change in circumstances which made it necessary to approach the question from an entirely new angle.

On two occasions, however, the Indian Legislature had imposed lower duties on United Kingdom goods than on similar foreign goods, but in both these cases, the principal ground for differentiation was the smaller amount of protection required by the Indian industry against competition from the United Kingdom ; in other words, in both cases, the benefit to the United Kingdom was rather incidental, and the differentiation in the duties was held to be justified purely in the interests of India, and did not commit her in any way to the general adoption of such a scheme.

The Import Duties Act of 1932, and the announcement made by His Majesty's Government in the United Kingdom created an entirely new situation for India. The tariffs of the various Dominions already contained provisions for the grant of preference in some cases to the manufactures of the United Kingdom, and in others to goods originating in any Empire country. The United Kingdom had also fully committed itself to the adoption of a reciprocal policy, and this example might be expected to be followed by

similar action in important parts of the Colonial Empire and by the adoption of the principle of reciprocity by the Dominions which had hitherto conceded unconditional preference. The general scheme of trade preference within the Empire was therefore a settled fact, and those responsible for the guidance of India's tariff policy had to decide whether she was justified in maintaining her former attitude of aloofness, and whether in fact she could afford to stand out of an agreement, which seemed likely to include most, if not all, Empire countries other than herself. Another consideration—perhaps less weighty—was that His Majesty's Government in the United Kingdom had made it clear early in 1932 that they reserved to themselves the right after Ottawa to enter upon negotitations with non-Empire countries for the conclusion of preferential trade agreements, and it was a possibility—though perhaps nothing further than a possibility—that these agreements might operate to the detriment of India.

Apart from these two considerations, the position of India, both as an exporter of raw products and manufactured articles, appeared to be vulnerable. It was true that in the production of certain articles, like raw jute, she had no serious competition, and possessed a virtual monopoly, but the number of such articles was very small. Further, such commodities were exposed to the competition of other articles, both synthetic and natural, which would serve the same purpose as India's natural products. Apart from the small class of products referred to above, India's exports of agricultural products and other raw produce were in competition with similar articles produced in many other countries. India had no monopoly in these, and if she was to retain the trade she had already built up and to extend her trade in new directions in accordance with variations in world demand, it was apparent that she must see that the outlets for her produce which had hitherto been open were not closed against her.

The United Kingdom was the largest single purchaser of Indian goods, and the change in her fiscal policy was, therefore, a matter of first-class importance to India. Her new policy extended the preferential system to a far wider range of commodities than before, but on a reciprocal basis, and India could not with any reason expect that the United Kingdom would be willing to accord to her a one-sided preference, or treat her more liberally than she was prepared to treat the Dominions. It, therefore, became evident that a system of preference from which India was excluded, while the other parts of the Empire were admitted, would be a serious matter for her. So far as the Dominions were concerned, direct competition was confined to food-grains such as wheat and barley, to tobacco and hardwoods and to mineral products such as lead and zinc. But with the Colonies, the position was different: direct competition extended to the whole range of tropical and semi-tropical products; in some commodities such as tea, spices and vegetable oils, their exports already rivalled or exceeded those of India, and in many others such as groundnuts and similar oil seeds, they constituted an alternative source of supply, which in course of time, would prove a real menace to India's trade with the United Kingdom. There was, however, no reason to doubt that so long as competition was on equal terms, India could hold her own, but if the competition were intensified under the stimulus of a preference in which India had no share, India's trade must inevitably suffer.

The appointment of the Indian Delegation to Ottawa was, therefore, the result of the Government of India's decision that in all circumstances, it was impossible for India to stand aloof, and the possibility of concluding a satisfactory trade agreement must be fully explored.

After explaining the circumstances under which they had decided to participate in the Conference, the Government of India pointed out in a communication addressed to the Association immediately after Sir George Rainy's announcement made in the Assembly that they had made it clear when accepting the invitation to attend the Conference, that if the conclusion of a trade agreement between the United Kingdom and India was recommended, involving any change in the Indian Customs Tariff, any such changes proposed would be placed before the Indian Legislature for its approval, and that Government had no wish to put any such changes into effect unless the Legislature was satisfied that they were in the interests of India. Government also enquired whether the Association had any proposals or suggestions which might be brought to the notice of the Indian Delegation.

The question was one on which it was difficult for any public body to express a definite opinion at that stage. The Committee, therefore, pointed out that even if the matter was to be looked at from the strict business point of view, and the political considerations inherent in a discussion of the problem were to be brushed aside, no definite conclusion could be reached until the whole field of trading and industrial relations of the two countries was covered by detailed investigation. Indian opinion could not be expected to pronounce an opinion either on the principle of Imperial Preference or its application to existing circumstances until reliable data, which would clearly establish the advantages to be gained by India by reciprocal trading agreements with the United Kingdom, were available. The Committee pointed out that such an investigation was only possible at the proposed Conference, and until its conclusions were known, judgment had perforce to be reserved. The Committee, however, welcomed Government's assurance that the Legislature would be consulted before any changes in tariffs were effected, but suggested that the commercial and industrial interests of India should be afforded an opportunity of expressing their views on the matter before the Legislature was called upon to deal with the recommendations of the Conference.

The Indian Delegation arrived at Ottawa on 19th July, and the Conference was formally opened in the Canadian House of Commons, Parliament Building, on 21st July by the Governor-General of Canada. The preliminaries being over, the Conference resolved itself into a number of sub-committees to deal with the various items on the agenda. The Committee on " Promotion of Trade within the Commonwealth " who were charged with the examination of questions of principle and policy bearing directly on the negotiation of trade agreements based on reciprocal tariff preferences and directed to the encouragement and extension of mutual trade, was presided over by the Rt. Hon'ble Viscount Hailsham (United Kingdom). The representatives of India on this committee were : Sir Atul Chatterjee (leader), Sir George Rainy and Mr. Shanmukham Chetty, and in view of their importance, meetings were also attended by Sir Padamji Ginwala, Seth Haji Abdoola Haroon

and Shahibzada Abdus Samad Khan so far as their engagements on other committees permitted. There were also other committees to deal with the questions of Customs Administration within the Commonwealth, Commercial relations with foreign countries, Methods of economic co-operation within the Empire, Inter-relationships of the various currencies and monetary standards of the Empire and of the desirability and feasibility of taking steps to restore and stabilize the general price level, etc. Sir Henry Strakosch and Sir George Schuster were subsequently appointed special delegates for the purpose of dealing with monetary questions, and these two gentlemen represented India on the Committee on "Monetary and Financial questions." Throughout the Conference, the various Delegations were naturally much preoccupied with the negotiation of trade agreements, and their attention tended to concentrate on these negotiations rather than on the discussion of the various items on the agenda of the Conference, and when all negotiations were finally completed and it was realized how many agreements had been secured, the following resolution was adopted by the Conference expressing the hope that the agreements were merely preliminary steps towards increasing trade not only within the Empire, but also throughout the world :—

"The nations of the British Commonwealth having entered into certain Agreements with one another for the extension of mutual trade by means of reciprocal preferential tariffs, this Conference takes note of these Agreements and records its conviction :

That by lowering or removal of barriers among themselves provided for in these Agreements the flow of trade between the various countries of the Empire will be facilitated, and that by the consequent increase of purchasing power of their peoples the trade of the world will also be stimulated and increased ;

Further that this Conference regards the conclusion of these Agreements as a step forward which should in future lead to further progress in the same direction and which will utilise protective duties to ensure that the resources and industries of the Empire are developed on sound economic lines ;

The Agreements referred to are annexed hereto, and the Conference commends them."

Negotiations between the delegations of the two countries resulted in a trade agreement being signed between the United Kingdom and India on 20th August. The agreement contained 14 clauses : clauses 1 to 8 contained the undertaking given to India on behalf of His Majesty's Government in the United Kingdom ; clauses 9 and 12 contained the undertakings given and received by His Majesty's Government and the Government of India as regards trade between India and the Colonial Empire ; clauses 10 and 11 contained the undertakings given on behalf of the Government of India and clauses 13 and 14 were reciprocal and concerned both Governments. The following brief analysis of the agreement may perhaps be found interesting :

Article 1 guaranteed the continuance after 15th November 1932 of the free entry into the United Kingdom, of Indian goods which would otherwise become liable to duty under the provisions of the Import Duties Act, 1932.

Articles 2 and 3 provided for the grant of new or increased preferences in respect of certain Indian goods such as wheat, rice, castor oil, linseed oil, cocoanut oil, groundnut oil, rapeseed oil, sesamum oil, magnesium chloride, linseed and coffee.

Article 4 guaranteed the maintenance of the existing margin of preference enjoyed by certain Indian goods, such as coir yarn, coir matting, cotton manufactures, jute manufactures, skin, leather, hides, spices, tobacco, sandalwood oil, groundnut, lead, etc. It was further provided that if greater preference was accorded to goods specified above, originating in any other parts of the Empire, such greater preference should also be accorded to India.

Articles 5 and 6 contained special provisions applicable to certain commodities. Article 5 made it possible to remove the duties on wheat in grain or lead if the Empire producers failed to supply either commodity in sufficient quantities at world prices. Article 6 related to tobacco, and secured to the Indian produce for a period of ten years the existing margin of preference over foreign tobacco so long as the duty on foreign unmanufactured tobacco did not fall below 2*s.* 0½*d.* per lb. in which event the margin of preference should be equivalent to the full duty.

Article 7 provided for the exemption from duty, irrespective of origin, of certain commodities in which India was interested, e.g., shellac, seed lac, stick lac, raw jute, myrabollams, broken rice, etc.

Article 8 contained a special provision for raw cotton, and His Majesty's Government undertook to co-operate in any practicable scheme that might be agreed upon between the manufacturing, trading and producing interests in the United Kingdom and India, for promoting, whether by research, propaganda or improved marketing, the greater use of Indian cotton in the United Kingdom.

Article 9 provided that His Majesty's Government would invite the governments of certain Colonies and Protectorates to accord to India new or additional preferences as shown below :—

Ceylon.

Cotton piecegoods and yarn. Fruits and vegetables (fresh, scaled, or preserved) Pig lead (but not lead sheets, tea lead or foil) Iron and Steel. Teak and other hardwoods. Perfumery. Coriander seed. Beans. Apparel. Boots and Shoes. Woollen carpets and rugs.	At a rate of not less than 10 per cent. *ad valorem.*

Tea—At the rate of 12½ cents per lb.

Coffee, raw, roasted or ground—At the rate of 6 cents per lb.

Malaya.

Tanned hides and skins. Brass, brassware, bronze and bronzeware. Copper and copperware. Paraffin wax. Perfumery. Groundnuts. Cotton piecegoods. Fishmaws and Sharkfins.	At a rate of not less than 10 per cent. *ad valorem.*
Groundnut oil and Gingelly oil	At 2 cents per lb.

Article 10 provided the grant of preference to the United Kingdom goods on entry into India. The preference was 7½ per cent. in the case of motor cars, motor omnibuses, etc., and 10 per cent. in the case of other commodities specified in the schedule to the agreement.

Article 11 provided that the Government of India would consider in the light of the findings of the Tariff Board the protective duties to be imposed on cotton and art silk goods according as they were made in the United Kingdom or elsewhere. It was further laid down that the Government of India would invite the Legislature to pass legislation by which, where protective duties were not imposed as a result of the recommendations of the Tariff Board upon the United Kingdom goods specified in article 10, the margin of preference laid down would be extended to such goods.

Article 12.—Article 9 of the agreement provided that His Majesty's Government would invite the Governments of non-self-governing Colonies and Protectorates to accord to India any preference which might for the time being be accorded by them to any other part of the British Empire. Article 12 reciprocally provided that the Government of India would invite the Indian Legislature to pass necessary legislation to secure to the Colonies and Protectorates and certain Mandated Territories under British Mandate, any preference from time to time accorded to the United Kingdom, if His Majesty's Government so desired.

Article 13 reaffirmed on behalf of His Majesty's Government their established policy of extending to India tariff preferences accorded to any Dominion and contained a reciprocal undertaking by India to act in the same way.

Article 14 empowered either party to the agreement to give six months' notice of its denunciation and further provided that notice might also be given by either party of changes desired in the agreement.

This is only a superficial analysis of the agreement. There was also a supplementary agreement on iron and steel.

The report of the Indian Delegation was published towards the end of October.

The Assembly and the Agreement.

On 7th November, the Hon'ble Sir Joseph Bhore moved the following resolution in the Assembly :—

"This Assembly accepting the Trade Agreement made by the Government of India with His Majesty's Government in the United Kingdom, which was signed at Ottawa on the 20th August 1932, and the supplementary Agreement regarding iron and steel contained in the correspondence between Sir George Rainy and Sir Horace Wilson, dated the 22nd September 1932, recommends to the Governor-General-in-Council that he do introduce in the Indian Legislature at the earliest possible moment such legislative measures as may be necessary to give effect to the Agreement in question."

In the debate which followed, Dr. Ziauddin Ahmad urged the appointment of a Committee of the House to scrutinise and report on the Agreement. Mr. B. Das suggested that India was not prepared to consider any proposal for reciprocal trade benefits with the United Kingdom till such time as she was given self-government. Mr. Sitarama Raju wanted the question to be examined by the Tariff Board, while Sir Abdur Rahim, Sir Hari Singh Gour, Mr. H. P. Mody and others pleaded for an examination of the Agreement by a committee as suggested by Dr. Ziauddin Ahmad. Ultimately, as a result of informal negotiations between Party leaders, it was decided that permission should be obtained from the Chair to enable Sir Hari Singh Gour to move the following amendment to Government's motion :—

"That the Trade Agreement between Indian and British Delegations be referred for scrutiny and report to a Committee of the Assembly consisting of the Hon'ble Sir Joseph Bhore, the Hon'ble Sir Alan Parsons, Mr. R. K. Shanmukham Chetty, Seth Abdoola Haroon, Mr. F. E. James, Mr. Muhammad Yamin Khan, Dr. F. X. De Souza, Mr. B. Das, Mr. C. S. Ranga Iyer, Sir Abdur Rahim, Mr. H. P. Mody, Dr. Ziauddin Ahmad, Mr. B. Sitarama Raju, Sir Zulfiqar Ali Khan, and the Mover with instructions to report by the 21st November 1932, and that further consideration of the Resolution moved by the Hon'ble Sir Joseph Bhore on Monday, the 7th November 1932, be postponed until the report of the Committee has been presented to the Assembly."

Permission being obtained from the Chair, Sir Hari Singh Gour moved his resolution on the 10th November. Government declared their willingness to accept it, and the motion was carried.

Report of the Special Committee.

The Special Committee of the House found by a majority, that so far as they were able to judge, it was definitely to India's interest to accept the Agreement. They also considered the question whether the result of the preferences proposed to be conferred on the United Kingdom was likely to involve a burden on the consumer in India. They agreed that in respect of those articles in which the United Kingdom at present held only a small portion of the total import into India, if preference was given by raising the duty, the initial tendency might be towards a rise in price level, but they regarded it as impossible to predict generally upon whom the cost of the preference would fall. Experience had, however, shown that in many cases, the whole of the cost would fall upon the producer, who would be faced with the necessity of having to reduce his prices to meet a higher tariff in order to retain his market, and the Special Committee were disposed to think that in

weak market conditions, such a result was more probable in the case of manufactured articles than in that of primary produce, since, during the general economic trade depression, the fall in the price of primary produce had been relatively very much greater than that of manufactured goods. They recommended, however, that, following the introduction of the new rates of duty, a special watch should be maintained by Government upon the course of prices of imported articles, which had been subject to differential rates of duty in accordance with the Agreement. They further recommended that Government should prepare an annual report reviewing the effect on India's export and import trade, of the preferences given in the Agreement, and that there should also be included in the report a statement of the Indian industries, if any, which had made recommendations to Government in regard to the effect upon them of the import preferences and a statement of the action taken by Government on such representations. They also suggested that a committee consisting of not more than 15 members be appointed by the Assembly to consider the report referred to, to examine in the light of the information furnished by it, and if necessary, with the assistance of representatives of the interests concerned, the effect which the preferences contained in the Agreement had upon the agriculture and other industries and on the import and export trade of India generally. In addition, the Special Committee urged that on the expiry of three years from the date on which the preferences became operative, Government should place before the Assembly a detailed report on the course of the import and export trade in commodities covered by the preferential rates of duty, and that they should undertake to give notice of denunciation as provided in the Agreement, if the Assembly, after considering the report, was satisfied that the continuance of the Agreement was not in the interests of India.

Three members of the Special Committee—Sir Abdur Rahim, Mr. Sitarama Raju and Diwan Bahadur Hari Bilas Sarda—appended a separate minute of dissent in which they totally disagreed with the views of the majority, and were unable to advise the Assembly to ratify the Agreement.

The report of the Special Committee was presented to the House on 28th November, and further discussion on Sir Joseph Bhore's original motion was resumed on the 5th December. Sir Hari Singh Gour set the ball rolling by moving the following amendment :—

" That after the words ' the 22nd September 1932 ', the words ' and approving the report of the Committee set up by this Assembly on the 10th November' be inserted and that at the end of the resolution, the following be added ' and further that he do give effect to the recommendations of the said Committee.' "

He referred to the safeguards provided in the majority report, and stated that all these individually and collectively gave the Assembly a complete and decisive control over the Agreement. He also pointed out that the Assembly alone would have the decisive voice and vote on the question of denouncing the Agreement on the expiry of three years. He further asked :—

" Here is an Agreement which has been offered in which it is conceded on both sides that India has something to gain. The quantum of gain is a matter of difference. Even the minority report has conceded that. The next point is : if we are of opinion that this is an Agreement upon which we are entitled to say that India has something to gain—and we

do not know how much—and we further find that in the field of economy throughout the world India stands to lose if we lost the United Kingdom market, shall we or shall we not be justified in giving this Agreement a trial for a period of three years."

Sir Hari Singh Gour's amendment was ultimately carried by the House, 74 voting for and 27 against it. The final resolution as amended by Sir Hari Singh Gour's motion, reads as below :—

"That this Assembly accepting the Trade Agreement made by the Government of India with His Majesty's Government in the United Kingdom, which was signed at Ottawa on the 20th August 1932, and the supplementary Agreement regarding iron and steel contained in the correspondence between Sir George Rainy and Sir Horace Wilson, dated the 22nd September 1932, and approving the Report of the Committee set up by this Assembly on the 10th November, recommends to the Governor-General-in-Council that he do introduce in the Indian Legislature at the earliest possible moment such legislative measures as may be necessary to give effect to the Agreement in question, and further that he do give effect to the recommendations of the said Committee."

A Bill to amend the Indian Tariff Act which sought to implement the Trade Agreement arrived at with the United Kingdom was subsequently introduced in the Assembly by the Hon'ble the Commerce Member, referred to a Select Committee, and ultimately passed with minor alterations. The preferential duties took effect from 1st January 1933. (*Appendix* **31.**)

RE-IMPOSITION OF THE EXCISE DUTY ON CLOTH.

In the issue of *Capital*, dated the 16th January 1932, prominence was given to a letter addressed by the Calcutta Import Trades' Association to the Government of India, suggesting the re-imposition of the excise duty on cloth. Briefly stated, the Import Trades' Association endeavoured to make out that the price of Indian piecegoods stood at a higher level than conditions warranted, that the Cotton Industry of India was in a very prosperous condition, and, therefore, the piecegoods manufactured by the indigenous industry should be subjected to an excise duty.

As regards the price levels, the only argument advanced by the Import Trades' Association was that the drop in price of piecegoods between September 1929 and March 1931 was only 19 per cent., whereas the drop in the price of raw cotton was 36 per cent. during the same period. This argument was plausible, but it is hardly necessary to point out that it would not bear scrutiny. In the first place, no conclusions of value could be drawn from a comparison of prices on particular dates ; prices over a fairly long period must be taken. In the second place, it must be pointed out that the index number which had been taken as the basis for cloth prices by the Import Trades' Association was the index number of wholesale prices for Calcutta published in the *Trade Journal*, and was *not* the index number for Indian cloth prices at all. It was the index number of the prices of a group of cloths, the bulk of which was imported. In the third place, it should be perfectly obvious even to the man in the street that as long as wages, which constitute the main item in the cost of manufacture, remain unchanged—and they remained unchanged between September 1929 and March 1931—the cost of the manufactured article could not fall by the same percentage as the cost of the raw

material of which it was composed. As a matter of fact, the prices of Indian mill-made cloths were in January 1932 lower than they had been at any time since 1915, and despite considerable increases in the import duties on cloth during the last few years, the prices of Indian piecegoods had not gone up.

The contention that mills had profited unduly since September 1929 was also not in accordance with facts. During the year 1929, the average price of Broach cotton was Rs. 339 per candy or 6·92 annas per lb. On a basis of 20 per cent. waste losses, the price per lb. of clean cotton was 8·30 annas. The average price of standard quality Indian longcloth in 1929 according to the " Current Quotations " of the Association was 15·41 annas per lb., the difference between cotton and cloth prices thus being 7·11 annas per lb. In 1931, the average price of Broach cotton was 4·45 annas per lb. of clean cotton and the average price of longcloth 11·25 annas per lb. The difference between the price of cotton and cloth was therefore 6·8 annas per lb. : in other words, the prices charged in 1931 for Indian mill cloth were relatively less than in 1929. On the basis of 1929, the average price of Indian standard longcloth should have been 11·56 annas per lb. and not 11·25 annas.

As regards the prosperity of the Indian Cotton Mill Industry, in 1930, only 4 mills out of 82 in Bombay City made a profit sufficient to cover depreciation. The figures of 1931 were not then available, but these were not expected to make much better reading than those of 1930. Out of 82 mills in Bombay, 11 had been entirely closed during the last five years, and 19 had to be taken into liquidation. It was a fact that owing to certain advantages enumerated in the Tariff Board's Report, cotton mills in Ahmedabad and certain other up-country centres had, on the whole, done better than Bombay mills, but that did not mean that the industry as a whole had prospered greatly since the imposition of the higher duties.

The Import Trades' Association had, in their letter, quoted the profits and dividends made by Ahmedabad mills in 1928, but no reference had been made to the fact that the return on real capital invested in the industry, i.e., the block, was less than $3\frac{1}{2}$ per cent. in 1929, the position being slightly better, $4\frac{1}{2}$ per cent. in 1928. In other parts of the country, the results of the last two years were very unsatisfactory and some of the most prosperous cotton mills in India were now working at a heavy loss. When, therefore, practically the whole of the mills in India had been working either at a loss or on greatly reduced margins, it was absurd for the Import Trades' Association to maintain that the Indian consumer of locally-made piecegoods had been penalized unduly in regard to the prices of his cloth.

The Committee's reply was published in *Capital* of 25th February 1932. (*Appendix* **32.**)

IMPORT DUTY ON DEXTRINE.

(*See pages* 31 *and* 187 *of Report for* 1929.)

On page 31 of the Association's Report it was stated that the Association addressed the Government of India, and urged that " Gum tragon " and " Dextrine " should be classified as " Starch and Farina " and imported

free of duty or, in the alternative, if Government were unable to grant a general exemption, a system of refunds based on certificates of actual consumption should be instituted so that the concession might be available to cotton mills. Government were, however, unable to accede to the Association's request.

Towards the middle of October 1931, however, the Central Board of Revenue issued an order exempting " any substance used for purposes similar to those for which starch is used in the textile industry, and made by admixture with starch or processed starch " from duty. Accordingly, such dextrine as was found on test to be a derivative of starch would be passed free of duty, provided it also fulfilled the condition as to its general use in the textile industry.

INDIAN INCOME-TAX AMENDMENT BILL.

DEDUCTION OF TAX AT SOURCE—SUBMISSION OF PERIODICAL STATEMENTS SHOWING THE NAMES AND ADDRESSES OF DEPOSITORS RECEIVING INTEREST OVER A PRESCRIBED MINIMUM—EXEMPTION OF ACCUMULATED BALANCE IN A RECOGNIZED PROVIDENT FUND FROM SUPER-TAX.

On 23rd September, the Hon'ble the Finance Member introduced in the Legislative Assembly a Bill " to amend the Indian Income-tax Act, 1922." Briefly stated, the Bill proposed to reinforce the existing provisions of the Income-tax Law by the addition of the following among other sections :—

I. *Clause* 6—*Section* 18 (3*A*).—" Where the Income-tax Officer has reason to believe that the total income of any person to whom any interest not being " interest on securities " is payable, will in any year exceed the maximum amount which is not chargeable with super-tax under the law for the time being in force, he may, by order in writing, require the person responsible for paying such interest to such person, to deduct at the time of payment income-tax at the maximum rate and super-tax at the rate determined by the Income-tax Officer to be applicable to the income of such person in that year."

II. *Clause* 6—*Section* 18 (3*B*).—" Where the person responsible for paying any interest not being ' interest on securities ' to any person pays to that person in any year an amount of such interest exceeding in the aggregate the maximum amount which is not chargeable with super-tax under the law for the time being in force, the person responsible for paying such interest shall, if he has not reason to believe that the recipient is resident in British India, and no order under sub-section 3A has been received in respect of such recipient, deduct at the time of payment income-tax at the maximum rate on the total amount of such interest, and super-tax on the amount by which such total exceeds the maximum amount not chargeable with super-tax at the rate applicable to such excess."

III. *Clause* 7—*Section* 20*A*.—" The person responsible for paying any interest not being ' interest on securities ' shall, on or before the fifteenth of June each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner, of the names and addresses of all persons to whom during the previous year he has paid in respect of money held in deposit for a period of not less than six months interest or aggregate interest exceeding such amount as may be prescribed in this behalf, together with the amount paid to each such person."

IV. *Clause* 23—*Section* 58*G* (1).—" Where the accumulated balance due to an employee participating in a recognized provident fund becomes payable, such accumulated balance shall be exempt from payment of super-tax except to the extent of an amount equal to the aggregate of the amounts of super-tax on annual accretions that would have been payable under section 58E up to the first day of April 1933, if the Indian Income-tax (Second Amendment) Act, 1932, had come into force on the 15th March, 1930."

It was explained in the Statement of Objects and Reasons appended to the Bill that the object of the first two amending clauses was to stop a leakage which was believed to be serious owing to the concealment of income derived from interest (other than interest on securities), especially interest paid on deposits with banks. It might be pointed out that provisions somewhat on the lines proposed in clause 7 have already been included in the existing Act, but these are applicable only to company dividends, and the principal officer of every company is required to submit to the Income-tax Officer the names and addresses of shareholders to whom a dividend or aggregate dividends exceeding such amounts as might be prescribed in this behalf had been distributed during the preceding year. What Government now proposed to do was to reinforce these provisions so as to require the principal officer of the company to furnish Government with a statement showing the names and addresses of persons receiving interest above a prescribed minimum in respect of deposits held for a period of six months or more.

It was explained by Government that difficulty had been experienced in interpreting the existing provisions of the law relating to the assessment of annual accretions and total accumulated balances to the credit of an employee participating in a recognized provident fund to income-tax and super-tax. Clause 23, it was pointed out, made it clear that contributions to a recognized provident fund were liable to super-tax from year to year though exempt to the extent that the aggregate of such contributions in any year did not exceed 1/6th of the employee's salary in that year, and laid down that super-tax should not be levied a second time when an accumulated balance was paid to the contributor.

The Bill also included certain other amendments, but these, it was pointed out, were intended to grant the assessee certain concessions the withholding of which was regarded as inequitable, or the security of which was, under the existing phraseology of the law, open to doubt.

The Bill was subsequently circulated for eliciting opinions by an executive order of the Government of India, and accordingly, towards the end of October, the Government of Bombay requested the Association to furnish their views on the provisions of the Bill.

The Committee's observations were confined to clause 6, amendments (3A) and (3B), clause 7, and clause 23 of the Bill.

According to the Statement of Objects and Reasons appended to the Bill, clause 6 " will empower the Income-tax Officer to require deduction at source when that was payable by an assessee who is liable to super-tax from interest payments other than interest on securities." This, however, did not appear to be a full statement of the case, and as a matter of fact, the

Committee found that what was stated in the Statement of Objects and Reasons applied only to amendment (3A). Amendment (3B), in the opinion of the Committee, appeared to go even further and threw the onus of deciding whether the recipient of interest was liable to the tax, upon the party responsible for the payment of interest; or, in other words, transferred a duty of the Income-tax authorities to certain members of the tax-paying public. This seemed to the Committee wholly inequitable. They considered that for the time being, at any rate, the authorities should be content with amendment (3A). They were of the opinion that if anything escaped the vigilance of an organization specially built up to collect every rupee of tax, it would be unfair to make a person paying interest liable under amendment (3B) on the ground that he ought to have detected the omission.

Clause 7 of the Bill, in the opinion of the Committee, constituted the introduction of a principle hitherto unknown to the Indian Income-tax Law. This section required the person responsible for paying any interest, not being interest on securities, to furnish to the Income-tax Officer on or before the 15th June each year a return in the prescribed form and verified in the prescribed manner, showing the names and addresses of all persons to whom during the previous year he had paid in respect of money already held in deposit for a period of not less than six months, interest or aggregate interest exceeding such amount as might be prescribed in that behalf together with the amount paid to each person. In other words, the Bill sought to legalise a procedure which, so far as the Committee were aware, had already been followed by the Income-tax Officers of Bombay and elsewhere, apparently without warrant. The Committee held that the adoption of this clause and also of amendment (3B) would, in fact, render interest, other than interest on securities, liable to income-tax and super-tax deduction at source, and would have far-reaching consequences on Indian banking and private money-lending businesses which thrive on private deposits. Apart from the fact that these institutions, if the proposed Bill was passed into law, would have to maintain special staff for the purpose, the Committee were of the opinion that their business would also suffer a serious set-back: deposits would not be so readily available and, even if they were, each depositor would probably attempt to avoid deduction of super-tax at source by keeping his deposits with any single banker below a figure the interest on which was below the minimum chargeable to super-tax.

Once a depositor learnt that his income from this source would be liable to income-tax and super-tax deduction at source, the Committee thought, that it might logically be assumed that he would try to avoid that tax altogether, and since it would not be possible for him to do so in British India he would naturally turn to the Indian States as a field for investment because, for the time being, at any rate, the assessing machinery there had not reached the state of perfection it had in British India. Amendment (3B) required a person paying interest to a depositor resident outside British India, say, in an Indian State, to deduct income-tax and super-tax at source. A result to be expected from this amendment was that residents in Indian States would naturally prefer to invest in their own banks rather than pay income-tax and super-tax in British India. Therefore, taking amendment (3B) and section 20A together, the former inducing flight of capital from

British India to Indian States, the other inducing the retention in the Indian States of capital available for investment in British India, the combined effect of the two provisions might, the Committee thought, possibly denude trade and industries in British India of a large amount of capital now available from Indian States and from abroad.

Another point which the Committee urged in connection with clause 7 was that the British Income-tax Law, which remained the model on which the Indian Income-tax Act was based, did not, so far as they were aware, contain any such provision. If, however, on a consideration of all the points urged in favour of its deletion, Government decided to proceed with clause 7, then it was pointed out the minimum period should in no case be less than one year.

The proposed clause 23 was carefully considered, but the exception to the exemption was difficult to understand. It was pointed out, therefore, that if what the Bill sought to do was to include annual accretions in the total income of the assessee for purposes of assessment to income-tax and super-tax from year to year and exempt the accumulated balance from super-tax, and legalise this procedure from the date on which the Income-tax Amendment (Provident Fund Relief) Act came into force, the section was not very happily drafted.

The Committee had no other criticisms to offer in regard to the amendments proposed in the Bill. Their attention had, however, been recently drawn to a case in which the Income-tax Officer who fixed the original assessment also heard the appeal against the assessment, owing to his having been, in the meantime, promoted to the office of the Assistant Commissioner of Income-tax. This was so contrary to natural justice that one would have expected the officer concerned to request the Commissioner of Income-tax to transfer the case from his file. It appeared that this course of action was not taken, and the officer in question insisted on hearing the appeal. The Committee, therefore, suggested the incorporation of a further amendment in the Bill which would operate to prevent any income-tax authority from adjudicating in appeal on a decision given by him in some other capacity.

It is understood that the Bill will be taken up by the Government of India in the ensuing session of the Legislative Assembly early in 1933. (*Appendix* **33.**)

INDIAN INCOME-TAX SECOND AMENDMENT BILL OF 1931.

Taxation of Incomes Earned Abroad.

(*See pages* 45 *and* 192 *of Report for* 1931.)

It was stated in the last issue of the Report that the fate of the Income-tax Amendment Bill of 1931 which sought, *inter alia*, to tax all profits, income and gains from whatever source derived, was uncertain. The position then was that the Hon'ble Sir George Schuster moved the appointment of a Select Committee in the September session of the Assembly. He

stated that if there was a feeling in the House that the most controversial issue should be altered, and that the principle of discrimination between persons both resident and domiciled in India and persons resident but not domiciled in India should be done away with, he was willing to have that examined by the Select Committee. But that was not all that was required, and a majority of the House still remained hostile to the measure. The issue was not, however, put to vote as the President, in response to a feeling expressed by certain members of the House, adjourned discussions *sine die*, to enable them to speak on the Bill.

However, as subsequent events proved, the House was fully occupied throughout the session, and it was only found possible to proceed with the debate on Government's motion in the next January session of the Assembly. Even then, the 4½ months' time which had elapsed since the first debate on the motion took place had done little to weaken the opposition, and in fact, Sir George Schuster, in winding up the debate on his motion, observed that the Bill had received rather step-motherly treatment from the Assembly. He fully recognized the force of many of the arguments advanced by the Opposition, but he asked :—

" Can any one possibly justify the present state of the law, the state of the law according to which if a man has money to invest in a business or to invest in securities, and if he considers how he is to invest it, the state of the law under which now he will find that by sending it abroad either to England, the United States, Germany, France or anywhere else in the world he will be able to draw the dividends on his investment and bring them back to India the very next day and use them for his expenditure here without paying a penny of the income-tax to the cost of governing his country, whereas if he puts it in Indian securities he will have to submit to the unfortunately heavy burdens of our present tax ? Can any one possibly justify that state of affairs ? I would ask the House to keep that simple point before them and not to be distracted by the difficulties and complications which will arise."

He further added :—

" The measure is of such importance that it ought not to be killed outright now, and it ought to receive the fullest possible consideration from the whole country. Therefore I would ask all those who feel any hesitation about voting for this motion, which I would again remind them is not a motion for passing the Bill but merely for referring to Select Committee and which merely involves the approval of a general principle which most of those who have opposed the Bill and the present motion have told me they approve of,—I would ask all those who are in that position to reconsider their attitude and to look at it in this way and say to themselves, ' Here is a measure which we all of us feel on broad grounds is right. There are practical difficulties in the way. We do not like it exactly as it stands. We object particularly to the principle of discrimination which in the Bill as originally introduced is included. But all the practical points on which we feel difficulty are points which can be dealt with in Select Committee, and if the Select Committee alters the Bill in such a way as to make a substantial change in the interests of various people who would be affected, then that Bill can again be circulated for opinion. We can in that way ensure, on the one hand, that no sort of injustice can possibly be done to any class of people in the country, and, on the other hand, that at the same time we shall not involve ourselves in what may be described as the odium of having rejected this principle which is really necessary in the national interests of India.' "

Apparently, this had very little effect on the Opposition, and in the ballot which ensued, they put the issue beyond doubt by returning a majority against Government.

Government, however, did not allow the matter to rest at that. On 5th September, they introduced a fresh Bill "to amend the Income-tax Act" in the Legislative Assembly. Under the existing law, income derived from sources abroad by a resident in British India was liable to income-tax in British India if :—

(*a*) it was derived from *business*, and

(*b*) it was received in or brought into British India within three years from the end of the year within which it accrued, arose or was received abroad.

"There seems to be no logical ground," it was stated in the Statement of Objects and Reasons appended to the Bill, "for not treating other classes of foreign income of a resident in British India (for example, income from investment abroad) on the same footing as income from business, nor does there seem to be any valid reason why foreign income should not be liable to tax *whenever* it was received in or brought into British India." The Bill, therefore, sought to "render all foreign income of a resident in British India from whatever source derived, liable to income-tax in British India *whenever* it is received in or brought into British India."

The Bill will probably be taken up for consideration by the Assembly early in 1933. (*Appendix* **34.**)

INDIAN INCOME-TAX AMENDMENT BILL.

Establishment of Tribunals to Control Assessments, to Hear Appeals, Etc.

On 18th February Sir Hari Singh Gour introduced in the Legislative Assembly a Bill to amend the Indian Income-tax Act, 1922. It was mentioned in the Statement of Objects and Reasons that the object of the Bill was "to bring the assessing authorities under some popular and judicial control, and partially redress the just and major grievances of the assessees." It, therefore, sought to introduce into the existing income-tax machinery, a tribunal "to control the assessment of income-tax, to hear all appeals against assessment, and generally to execute the Act." Under the existing law, the original assessment was made by the Income-tax Officer on the basis of a return submitted to him under section 22 of the Act. There was an appeal against the decision of the Income-tax Officer to the Assistant Commissioner of Income-tax, a further appeal to the Commissioner of Income-tax, and, finally, a reference to the High Court on points of law. Under the provisions of the proposed Bill, assessment by an Income-tax Officer, in the first instance, was to be made with the concurrence of three or more assessors. An appeal against such an assessment was to lie with a specially constituted Income-tax Tribunal, and a further appeal was provided against the decision of this body to the High Court both on points of law and of fact.

The Bill was taken into consideration by the Assembly on 20th September, when Sir Hari Singh Gour moved the appointment of a Select Committee, but at the instance of Mr. R. T. H. McKenzie (nominated non-official), the House decided to circulate the Bill for the purpose of eliciting opinions thereon, and towards the middle of October, the Government of Bombay requested the Association to express an opinion on the Bill. The Committee were aware that the existing system of income-tax administration had, to a certain extent, been unpopular, and they agreed that it was desirable, in fairness to the assessee, that some form of popular control should be provided for in the existing machinery for the collection of taxes, but they were unable to support the Bill as it stood, for the reason that, in their opinion, it went beyond the actual requirements of the case. (*Appendix* **35.**)

STAMP DUTIES ON COMMERCIAL DOCUMENTS—RE-IMPOSITION OF STAMP DUTY ON CHEQUES—CONTROL OF LEGISLATION ON STAMP DUTIES.

Recommendations of the Federal Finance Committee.

At a very early stage of the proceedings of the first Round Table Conference, His Majesty's Government in the United Kingdom declared their willingness to recognize the principle of the responsibility of the Executive to the Legislature, if both were constituted on an all-India federal basis, the principle of responsibility being subject to the qualification that, in existing circumstances, Defence and External Affairs must be reserved to the Governor-General and that in regard to Finance, such conditions must apply as would ensure the fulfilment of the obligations incurred under the authority of the Secretary of State for India and the maintenance unimpaired of the financial stability and credit of India. His Majesty's Government further affirmed their belief in an all-India Federation as offering the only hopeful solution of India's constitutional problem, and declared their intention to pursue this plan unswervingly and do their utmost to surmount the difficulties which stood in the way of its realization.

In pursuance of this declaration, the constitution of the proposed Federation and other cognate problems were examined by the Federal Structure Sub-Committee of the Round Table Conference. At the same time, a special Sub-Committee under the chairmanship of Lord Peel was entrusted with the examination of the " general principles upon which the financial resources and obligations of India should be apportioned between the Federation and the British Indian Units jointly and severally, and the States Units. This Sub-Committee found it impossible, within the short time at their disposal, to make even tentative estimates of the probable revenue and expenditure of the Federation and its constituent Units. They further considered that " any theoretical scheme for the division of resources and obligations should, before being embodied in the Constitution, be put to the test of a careful examination of its probable results by some body which is fully equipped for the task," and suggested the appointment of an Expert Committee " for the purpose of working out in detail a financial scheme for the Federation."

In accordance with this suggestion, an Expert Committee under the chairmanship of Lord Eustace Percy was constituted by the Prime Minister towards the end of the year " to estimate the probable financial position of the Federal Government and the Provinces of British India and to suggest adjustments between them, and to advise on certain aspects of federal finance, mainly on matters affecting the future relationship between the Federal Government and the Constituent Units." This Expert Committee (Federal Finance Committee) stated, *inter alia*, in their report :—

" We have given some attention to the question, considered by the Federal Structure Committee whether the Provincial Governments should be given power also to fix the rates of duty on all stamps, or whether legislation on this subject should be reserved, wholly or partially, to the Federal Government. We suggest that the Federal Government should retain the power to legislate on behalf of the Provinces in regard to those stamp duties which are the subject of legislation by the Central Government at the date of federation. The duties which are now the subject of central legislation are those on acknowledgments, bills of exchange, share certificates, cheques (not now dutiable), delivery orders in respect of goods, letters of allotment of shares, letters of credit, insurance policies, promissory notes, proxies, receipts and shipping orders. We understand that proposals have been under consideration for adding other duties to this list, and we would suggest that, if any such additions are contemplated, they should be made before the establishment of the Federation."

In other words, they proposed that *all* stamp duties should be provincial sources of revenue. They further proposed that control of legislation by the Indian Legislature should be retained not as before with reference to *all* stamps, but with reference to a list of stamps, which were at the moment reserved in practice for central legislation together with any additions that might be made to that list before the establishment of the Federation. The existing list of documents, the duties on which was subject to the control of the Central Legislature, has been set forth in the recommendations of the Federal Finance Committee. This list, it would appear, was drawn up by the Government of India in 1921, when various Provincial Governments were asking for authority to enhance stamp duties within their jurisdiction, and there was no time to consult commercial bodies in the matter. Government, however, desired that an opportunity should now be afforded to all concerned to express an opinion before a final decision was reached, and accordingly, towards the end of July, the Association was asked to furnish Government with its views on the proposals made by the Federal Finance Committee.

It appeared that while Government themselves were aware of the inconvenience that might be caused to commercial and other interests concerned if stamp duties were different in various provinces, they were provisionally of the opinion that there were not very strong arguments for the retention in the proposed new Constitution of a list of instruments reserved for central legislation. They, however, pointed out that to their provisional view an exception should possibly be made in the case of cheques, which were at the moment free from duty, for it might be argued that it would otherwise lead people keeping their accounts with banks in provinces where there was no stamp duty or a lower stamp duty than that in force in their own territory. Government themselves did not appear to be much impressed by this argument ; nevertheless they desired an expression of opinion as to whether there was much force in this contention as to make it desirable that

the Constitution should impose some control over the Local Governments so as to prevent any untoward result, and if so, whether such a provision might not be preferable to a provision to the effect that stamp duty on cheques be reserved for central legislation. Therefore, the three points on which the Association's views were requested were :—

(1) Should a list of stamps reserved for central legislation be maintained in the new Constitution ?

(2) If so, whether any additions should be made to the existing list.

(3) If the answer to (1) was in the negative, should an exception be made in the case of cheques.

(4) If the answer to (1) has in the negative and to (3) in the affirmative, how should control over the duty on cheques be exercised, i.e., by reserving legislation itself or by reserving to the Central Government a power of veto.

The Committee of the Association agreed with the recommendations of the Federal Finance Committee, viz., that the control of legislation in respect of stamp duties on certain specified commercial instruments should continue to remain with the Central Legislature, and they urged that the existing list of instruments in respect of which such control was exercised should be amplified by the addition of arbitral awards and powers-of-attorney.

In coming to this conclusion, the Committee were influenced by the consideration that if India's future Constitution was to be based on a federal basis, control of legislation affecting commercial transactions in all parts of the country should be unitary and vested in the Central Legislature. If such control, however, were handed over to Provincial Governments, the inconvenience which would be caused to commercial interests by reason of variations in the rates of duties from province to province would be serious, and would far outweigh the difficulties experienced at the moment in allocating the revenue from unified stamp duties among the provinces.

The Committee were also of the opinion that the stamp duty on cheques should be reserved for Central legislation in preference to giving the Central Government a power of veto over Provincial Governments in the matter. The question of reintroduction of the duty on cheques would then rest with the Central Government, and might, it was suggested, be taken up for consideration when the reformed Constitution was brought into being. (*Appendix* **36.**)

AMENDMENT OF THE INDIAN CONTRACT ACT.

Pledges by Mercantile Agents.

Section 178 of the Indian Contract Act lays down that " where a mercantile agent is, with the consent of the owner, in possession of the goods or documents of title to goods, any pledge made by him, when acting in the

ordinary course of business of a mercantile agent, shall be as valid as if he were expressly authorized by the owner of the goods to make the same; provided that the pawnee acts in good faith and has not at the time of the pledge notice that the pawnor has not the authority to pledge," the term ' mercantile agent ' having the meaning assigned to it in section 2 (9) of the Indian Sale of Goods Act, 1930, which means and includes :

> " A mercantile agent having in the customary course of business as such agent, authority to sell goods, or to consign goods for the purpose of sale, or to buy goods, or to raise money on the security of the goods."

Towards the end of November 1930, the Bombay Chamber of Commerce requested the Government of Bombay to amplify section 178 of the Indian Contract Act by an explanation to the effect that " a muccadum and commission agent in cotton in the Presidency of Bombay shall be deemed to be a mercantile agent for the purposes of this section."

Briefly stated, the arguments advanced by the Chamber in support of this amendment were :—

(1) In consigning cotton to a muccadum or commission agent in Bombay, up-country consignors always looked to his personal integrity, and they obtained, according to custom, advances, subject to a margin, against such consignments, unless cotton was consigned for warehousing only.

(2) The muccadum or commission agent in his turn obtained finance from banks by pledge of cotton, entirely irrespective of the amount advanced by him to the consignors.

(3) Once they parted with their cotton, the consignors did not concern themselves with what happened thereafter, but were content to leave the matter entirely in the hands of the muccadum or selling agent.

(4) Once in Bombay, it frequently happened that the consignment changed hands several times, and it had been found entirely impracticable for banks to make proper enquiries of the true owner for the reason that it was very difficult to ascertain who the true owner was, the bales of cotton and documents of title giving no indication in the matter.

(5) The up-country consignor of cotton was in a much better position to prevent fraud than a bank could hope to be, and it was, therefore, thought that the responsibility for preventing fraud should rest with him, and this was the ultimate object of the amendment.

It appeared that the difficulties which the proposed amendment sought to remove were very real. In addition to the muccadum or commission agent, who deliberately practised fraud, there was the muccadum or commission agent who availed himself of the anomaly in law to assert, when faced by a demand for further margin from a bank, that he held cotton for warehousing only, thus putting the bank to the very great expense of proving in a court of law that the muccadum or commission agent in fact held the cotton for sale.

Towards the end of December 1931, the Government of Bombay requested the Association's views on the Chamber's proposals. The Committee considered that of the two parties, the up-country consignor and the bank, the latter was certainly less to blame in the event of fraud by a muccadum or commission agent, and stated that they would welcome the proposed amendment. (*Appendix* **37.**)

THE INDIAN RAILWAYS ACT AMENDMENT BILL.

Road and Motor Services.

Under section 51 (*e*) of the Indian Railways Act, a railway company was empowered, with the previous sanction of the Governor-General-in-Council, to provide and maintain any means of transport required for the reasonable convenience of passengers, animals or goods carried or to be carried on its own railway, provided :

(i) the traffic was through booked over the railway ; and

(ii) no other adequate service was already in existence.

The railway company was, however, precluded from running any other mode of conveyance parallel to its own railway line. It might be pointed out in this connection that section 51 (*e*) of the Indian Railways Act referred to above was not applicable to State-managed railways, and such railways were, therefore, under no legal disability in the matter of owning and operating road services. At a meeting held in December 1930, the Associated Chambers of Commerce of India and Ceylon passed a resolution requesting the Government of India to amend the Indian Railways Act so as to permit both State and company-managed railways to own and operate motor and/or air services as subsidiary services to existing railway systems without any restriction in regard to carrying passengers or goods carried or to be carried on the railways.

Subsequently, in September during the year under review, the Hon'ble Sir C. P. Ramaswami Aiyar, Member for Commerce and Railways, introduced in the Legislative Assembly a Bill " to amend the Indian Railways Act of 1890," to make it clear that " the railway companies referred to in section 51 (*e*) of the Act (all railways other than State-managed railways or guaranteed State railways) may own and operate unconditionally road motor services for the carriage of traffic in areas served by their railway." The scope of the Bill was further explained by the Hon'ble Member in charge of the Bill in the course of his speech in the Assembly. He said :—

" Let me again point out that this Bill has no application to the State-managed railways.... This Bill does not advert to or has no reference to those companies operating under Parliamentary statutes."

He further explained that the railways to which the Bill could operate " can only be certain companies of a comparatively small jurisdiction, who find that their work and their finances are severely handicapped by the development of motor competition."

The House ultimately directed circulation of the Bill for eliciting opinions, and accordingly, towards the end of October, the Government of Bombay requested the Committee's views on the proposed amendment.

The Committee supported the Bill, but they felt that the satisfactory solution of the problem of competition between company-owned railways and private motor transport companies did not lie in the direction indicated in the amendment. Few railway companies with their high administrative and overhead charges would, it was thought, care to avail themselves of the powers with which the amendment proposed to invest them, and enter into competition with private motor transport companies which, in many cases, had much lower operating costs and made little or no provision for adequate repairs or depreciation. The Committee, therefore, suggested that Government might consider the advisability of establishing a Transport Board on the lines of the Road Transport Board in England with a view to devise ways and means for the elimination of unhealthy competition and to ensure the co-ordination of the more important rail and road services of the country. (*Appendix* **38.**)

TREATMENT OF RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

In para 283 of their report, the Indian Central Banking Enquiry Committee, referring to the uses to which railway receipts are put, stated:

> "They are either attached to the *hundis* or drafts on the purchaser of the goods, or are sent to the consignee to enable him to raise an advance on the security of the receipts with which to pay the *hundis* or drafts when they arrive."

It appeared that these receipts were not negotiable or transferable; they did not contain either a full or a correct description of the goods, and they were not in the same position as bills of lading, as with the passing of the Indian Contract Act, the provisions of the Factors Act making pledge of documents of title to goods equivalent to the pledge of goods had been abrogated. It had also been held very recently that banks did not get safe security in the shape of a railway receipt which was endorsed to them. The Central Banking Enquiry Committee, therefore, recommended that "a railway receipt should be placed by the Legislature on the same footing as a Bill of Lading." This, in their opinion, "will dispense with various devices that have been suggested to make a railway receipt a valid security, such as the pledger addressing a letter to the Railway Company that he has transferred his interest in the goods to a bank, the bank forwarding the pledger's letter instructing the Railway Company to hold the goods to its order, and the Railway Company being prepared to accept such instructions." What the Banking Enquiry Committee actually suggested was that railway receipts should be made negotiable, and that Railway authorities should issue instructions that the receipt should give as full a description as possible of the goods covered by it. Towards the end of September, the Association was requested by the Government of Bombay to express an opinion on the proposals made by the Banking Enquiry Committee.

The Committee agreed with the proposal, and stated that if railway receipts were to be made negotiable, Railway authorities should issue instructions that the receipts should give as full a description as possible of the goods covered by them. (*Appendix* **39.**)

BESETTING AN INDUSTRIAL ESTABLISHMENT FOR COLLECTION OF DEBTS.

Recommendations of the Whitley Commission.

The Indian Central Banking Enquiry Committee, in para 125 of their report, observed :—

> " Where these people (i.e., Pathans and other itinerant money-lenders) take extra legal steps for the recovery of their money as brought out prominently in the report of the Bombay Committee, we consider that special action is necessary for protecting the borrower from the methods employed by them. We readily support the proposals of the Bombay Committee in this matter, and we hope that Provincial Governments will take early steps to deal with any such insidious menace to society."

The matter was also considered by the Royal Commission on Labour in India, who found that there were many money-lenders who preyed upon workers, and depended upon the threat of violence rather than of the process of the law. They also pointed out that " the *lathi* is the only court to which they appeal, and they may be seen waiting outside the factory gate on pay-day ready to pounce on their debtors as they emerge." The Commission, therefore, observed that strong measures were justified, particularly as the object of waiting outside the factory gate on pay-day was to ensure that their claim formed the first charge on wages, and further recommended that besetting an industrial establishment for the recovery of debts should be made a criminal and cognizable offence. Such an action, they thought, would go far to cripple the activities of a class of money-lenders already generally regarded as a pest to society, and would bring an end to the still more deplorable practice of some employers, who permitted the money-lender to enter the factory compound and to collect his dues before the workers' wages reached their hands.

The Commission's proposal, it might be pointed out, did not go so far as the suggestions made by the Indian Banking Enquiry Committee inasmuch as it related only to action in or near an industrial establishment. All the same, it appeared to the Government of India to offer the possibility of stamping out the practice of recovering private debts at the pay desk and of checking at least the power of the money-lender to make his demands a first charge on industrial wages. Government were, therefore, provisionally disposed to support it, but they requested an expression of opinion on the measure from local Governments and other interested bodies.

The Committee of the Association supported the Commission's proposal as one calculated " to cripple the activities of a certain class of money-lenders generally regarded as a pest to society," but they pointed out that so far as the Association was concerned, it had consistently set its face against the practice of permitting money-lenders to enter the mill premises to collect their dues at the pay desk or in the compound of the mill. (*Appendix* **40.**)

AMENDMENT OF THE LAND ACQUISITION ACT.

Recommendations of the Whitley Commission.

The Land Acquisition Act of 1894 made it possible, where the previous consent of the local Government had been obtained, to acquire land compulsorily on behalf of companies, provided that the land in question was needed for a work "likely to prove useful to the public." The Royal Commission on Labour in India recommended that the Act be so amended as to enable land to be thus acquired "where it is needed for the housing of labour either by companies or by other employers." The Commission stated:—

"We received considerable evidence indicating the serious difficulties experienced in connection with the acquisition of land for housing schemes initiated either by local bodies or by industrial employers. In a number of instances brought to our notice, land eminently suitable for the development of housing schemes had been held at ransom by the owners, fantastic values being placed upon it as a result of the construction of factories and other industrial concerns in the neighbourhood. The Land Acquisition Act gives powers to Government to acquire land only when, after enquiry, it is satisfied that the land is required 'for the construction of some work' and that 'such work is likely to prove useful to the public.' What is or is not likely to prove useful to the public is a matter which rests entirely with the local Government. These powers are apparently intended to cover a larger variety of objects than those included in the definition of 'public utility' contained in the Act of 1863. In practice, however, they are rarely put into operation; and judging from the purposes for which they have been used from time to time, there appears to be considerable uncertainty as to the class of cases to which they should properly be applied. Several applications from large industrial concerns in Bengal have been rejected within recent years, because Government was advised that these did not come under the definition laid down in section 40 of the Land Acquisition Act. In their Report, the Indian Industrial Commission recommended that the local Government should acquire land compulsorily from private persons on behalf of an industrial concern, if certain conditions were satisfied. Discussing the question of industrial housing, the Commission also recommended that Government should use its power to acquire land on behalf of employers for the housing of labour subject to certain safeguards and that at the cost of Government or the local authorities land might also be acquired and leased to employers at easy rates for the same purpose. We consider that where employers are willing to construct houses for employees, they should be assisted by Government to acquire the necessary land, provided that the schemes have the approval of the Ministry of Health. We therefore recommend that the Land Acquisition Act be so amended as to provide that the housing of labour shall be deemed to prove useful to the public....."

The Government of India, it appeared, considered that the provision of adequate housing for workmen was one of urgent need of Indian industry, and accordingly, a Bill to give effect to the Commission's recommendations was introduced in the Legislative Assembly on 5th September by the Hon'ble Sir Frank Noyce.

The Bill did not evoke any serious opposition in the Assembly, but in response to a motion by Sir Muhamad Yakub (Rohilkund and Kumaon) it was circulated for eliciting opinions, and accordingly, towards the end of November, the Government of Bombay forwarded to the Association a copy of the draft Bill, and requested the Committee's views thereon. The Committee supported the principle involved in the measure, and informed Government accordingly. (*Appendix* **41.**)

INTERNATIONAL COTTON COMMITTEE.

NET WEIGHT BASIS FOR COTTON CONTRACTS—MOISTURE TESTS OF AMERICAN COTTON—DEPOSITS FOR ARBITRATION—FALSE PACKED BALES OF COTTON.

The International Cotton Committee at their meeting in London held towards the end of February, adopted the following resolutions :—

(1) *Net weight contract for cotton covered bales :—*

" This Committee being of the opinion that the sale of cotton covered bales on net weight basis would be an advantage to industry, hereby resolves that the associations affiliated with the International Cotton Federation be circularised in order to ascertain their views as to whether they are favourable or otherwise to the purchase of cotton covered bales on a net weight basis."

" That in the event of a majority of the affiliated associations expressing their assent to the purchase of cotton covered bales on the basis of a net weight contract, all cotton exchanges in the world be requested to modify their rules accordingly."

(2) *Moisture tests of American cotton :—*

" That a small sub-committee be appointed to examine the possibility of arriving at a uniform method of testing American cotton for moisture content."

" That to this end the affiliated associations be asked to furnish the sub-committee with the exact scientific method of testing moisture content in their respective countries."

(3) *Rules for arbitration :*—It was pointed out in a recent case of arbitration between English and Czecho-Slovakian firms, the arbitrator had demanded a deposit of £200 : £60 to cover an arbitration tax levied by the Czecho-Slovakian Government and the balance to cover his expenses, and if necessary, the award. The English firm, it appeared, refused to proceed with the arbitration in view of the fact that the case could be tried in the Czecho-Slovakian courts for a much lower sum. It was, therefore, suggested by the solicitor to the International Cotton Federation that the rules relating to arbitration should be amended to read as under :—

" The Award of the Arbitrator, Arbitrators or Umpire, as the case may be, in addition to the decision on the merits, shall determine which of the parties shall pay the costs, or in what proportion the costs shall be divided or be payable by them respectively. The Arbitrator, Arbitrators or Umpire may as a condition precedent to proceeding with the Arbitration require the party asking for the Arbitration to deposit with the Secretary of the International Federation a reasonable sum sufficient to cover the estimated expenses of the Arbitration."

It had also been reported to the Federation that an application for arbitration had been received from France, the dispute being with a firm in Roumania. As the goods were lying in Roumania, and no arbitrators had been appointed for that country, it was suggested by the solicitor to the International Cotton Federation that the arbitration rules be amended as follows :—

" Unless the parties agree upon the place where the Arbitration shall take place, the Arbitrator, Arbitrators and/or Umpire, as the case may be, shall decide. Provided that when the point in dispute is as to the quality of goods and the goods are in existence,

133734

the Arbitration shall take place in the country where the goods are lying. In any case of difficulty arising under this rule and not provided for, the place of Arbitration shall be decided by the President of the International Federation."

A very useful discussion was also initiated by the representatives of Czecho-Slovakia, Belgium and Italy on the subject of International Trade and Currency Restrictions, and while no resolutions were passed on the subject, it appeared that every one agreed that the currency system had a great deal to do with the existing troubles of the world.

The representatives of Belgium, England, France and Denmark complained of false packed cotton, and the General Secretary of the Federation was instructed to obtain supporting evidence from the affiliated associations and afterwards communicate with the Department of Agriculture of Washington strongly pressing for a rectification of the evil.

Early in March, the attention of the Association was drawn to the resolutions adopted by the International Cotton Committee, and an expression of opinion was invited.

Net weight contract :—The Committee of the Association agreed that it would be in the interests of spinners of American cotton to have all contracts for the purchase of such cotton, packed in cotton covered bales, to be on the " net weight " basis.

Moisture tests of American cotton :—The Committee nominated Sir Ness Wadia to serve on the sub-committee of the Federation appointed to examine the possibilities of arriving at a uniform method of testing moisture content of American cotton, but they were not in a position to give detailed particulars of any scientific method followed in this country for such tests.

Arbitration rules :—The proposed alterations in the arbitration rules were approved by the Committee.

False packed cotton.—The Committee were aware that members of the Association who had recently been using an increased proportion of American cotton often had reason to complain of the presence of a large quantity of short cotton stalks in such cotton which, in their opinion, was due to the practice of sledding cotton in America. They had also observed a great deal of leaves mixed with the cotton which when passing through the saw gins get crushed and it was only with great difficulty that these leaves could be removed.

The question of moisture in American cotton was subsequently examined by a special Sub-Committee of the Federation, who met at Ghent in the middle of August, and their recommendations and the views of all affiliated associations on the various subjects discussed at the London session of the Federation Committee were brought up before the next meeting of the Committee held at Lugano in October, when the following decisions were recorded :—

Net weight contract for cotton covered bales.—The General Secretary made a statement to the effect that a majority had been obtained in favour

of the resolution adopted at London on the subject. Permission was, therefore, accorded for the resolution to be forwarded to the authorities and associations concerned.

Rules for arbitration.—All affiliated associations having expressed themselves in favour of the amendments proposed, they were adopted.

On the subject of moisture tests of American cotton, the Federation Committee endorsed the following recommendations made by the special Sub-Committee at Ghent :—

1. American cotton, wherever possible, should be tested for moisture as soon as convenient after arrival at the port of disembarkation.

2. The number of bales to be sampled in each shipment should not be less than 10 per cent.

3. The weight of each bale tested should be obtained at the time of sampling, and that the certified weight should appear upon the certificate of test.

4. The sample drawn from each bale should weigh approximately 500 grammes.

5. Samples when drawn should be placed immediately in hermetically sealed canisters specially made for the purpose, and wherever possible weighed at once, canister and cotton together. The canister and sample should then be despatched to the testing house, where the whole should be again re-weighed. The weight of the cotton to be taken as the difference between the total weight and the weight of the empty canister.

6. The method of sampling must obviously depend upon local conditions, but the sample should be representative of the whole bale. It was suggested that the sampling of a shipment cotton could best be carried out in the following manner :—

From the first bale, samples to be drawn from beneath the first and third bands ; in the second bale, from beneath the second and fourth bands ; in the third bale, from beneath the third and fifth bands, and so on.

Attention was further directed to the importance of compounding the sample taken from any one bale in such a way that the whole mass of the bale is fairly represented : thus, about one-tenth of the total weight of the bale is in a surface layer only one inch thick ; the cube of the distance from the centre indicates the relative amounts which should be taken at various depths below the surface.

7. The drying temperature should not exceed 110 degrees Centigrade (or 230 degrees Fahrenheit) and should not be less than 105 degrees Centigrade (221 degrees Fahrenheit).

8. Preliminary drying is not objectionable, and saves considerable time while the sample is in the final oven. The sample should be dried to constant weight.

9. The sample should be fluffed out, and put into the oven cage loosely. In testing low grade or sandy cotton, every precaution should be taken to prevent loss of these impurities. Loss or gain of water during this filling of the oven cage is immaterial, because the weight has already been obtained before the canister was opened.

10. The percentage moisture should be calculated upon the constant *dry weight* as determined by the oven test.

The Federation Committee further agreed :—

(*i*) to recommend the members of all affiliated associations to carry out moisture tests on the basis of the above uniform methods, and submit copies of their results to the Head Office through their national association, for tabulation.

As regards the standard of moisture content in American c.i.f. cotton, it was resolved :—

(*ii*) eight and a half per cent. to be the standard regain for c.i.f. American cotton, with a tolerance of 0·5 per cent. down. If the cotton contains less than 8 per cent. of moisture, the spinner shall pay the difference to the seller up to 8 per cent. If the moisture content be more than 8·5 per cent., the seller shall pay for the excess above 8·5 per cent.

A feature of the Lugano sessions of the International Cotton Committee was the interesting discussions which took place on a proposal made by Mr. Robert Brasseur (Belgium) for an " International Textile Agreement," as a means of relieving the cotton crisis. It appeared that by a convention signed at Ouchy, the Belgian and Dutch Governments had undertaken to diminish their tariff duties by 10 per cent. per annum during a period of five years. It was further provided in this convention that customs duties should not be diminished below a level corresponding to 4 per cent. *ad valorem* for semi-manufactured products and 8 per cent. *ad valorem* for wholly manufactured products. The convention was open for the adherence of any country, but only the signatory countries would benefit by the reduction of the duties. Mr. Brasseur stated that Europe was becoming more and more aware of the fact that tariffs and restrictions had only aggravated the crisis, and that several countries which traditionally remained wedded to protectionist ideas were recommending a return towards a more liberal policy as regards international trade. He further pointed out that the Ouchy convention had a similar goal in view ; he admitted, however, that the problem was certainly complicated, and its realization beset with many difficulties, involving, as it did in many cases, the question of derogation of the most-favoured-nation-treatment clause, but he appealed that the whole question should be examined by a commission consisting of representatives of associations interested in the proposal and experts on tariff questions. The proposition evoked a good deal of enthusiasm, and several delegates took part.

The Austrian Delegate thought that Belgium and Holland were both exporting countries, and not entirely suitable as an example for reciprocal tariff agreements.

One of the German Delegates thought that the problem could not be satisfactorily settled before the general, international, political and economic questions had been settled. In this respect, the cotton industry was in a similar position to all other large industries, and he considered that a uniform maximum tariff would be extremely difficult to introduce, as the economic conditions in the various countries were different from each other, and similar customs tariffs in one country would have a different economic effect from that in another.

The French Delegate was of the opinion that the whole question of tariffs was being given more consideration than was necessary, as they were not, in his opinion, the principal cause of the crisis. He preferred, however, a quota system, and the goods imported under that system should be free of duty. He stated that two-thirds of the French population depended for their livelihood on corn production, yet they could not compete with America.

The Czecho-Slovakian Delegate appeared to be in favour of free trade for all agricultural products in order to give the agriculturist an opportunity of exchanging his products for manufactured goods.

Mr. Caspar Jenny (Switzerland) declared that it was absolutely imperative for all countries to exchange their commodities as freely as possible with one another. He considered that trade restrictions were killing industry. Free trade, he contended, was necessary in order to increase trade ; he saw, however, one ray of hope, and that was when tariff walls were so high that all trade would cease and no revenue would be forthcoming to the governments, they would be finally forced to reduce tariffs in order to stimulate trade, and thus derive their revenue from this source.

The Italian Delegate stated that he derived encouragement from the fact that the debtor countries were importing much less than before from creditor countries, and the trade between these countries was approaching a balance. He recommended that the question of the reduction of quotas and currency restrictions should first be studied. He suggested that quotas should be reciprocal between countries trading with one another and that all trading agreements should be based on a principle of reciprocity.

However, on the motion of Mr. Frederick Holroyd (England), a resolution appointing a special Sub-Committee " to endeavour to bring other countries within a Cotton Customs House Tariff Agreement, to study the effects of tariffs, currency restrictions, quotas, etc., and their incidence upon industry and trade " was appointed.

A discussion on the " Depression in the European Cotton Industry " was also initiated by the Belgian Delegate, Mr. Robert Brasseur, but beyond a formal interchange of views, no resolution was adopted by the Committee. (*Appendix* **42.**)

WORKING CONDITIONS IN BOMBAY COTTON MILLS.

Mr. H. G. Wells, in his recent book " The Work, Wealth and Happiness of Mankind," published by Messrs. William Heinemann, Ltd., London, quoting from a report on Egyptian cotton mills, stated :—

" Half the workers are under 15 and many under 9....I saw with sorrow in several factories the almost automatic hitting of the children with cane and whips by the overseers as they moved up and down to spur them on to their work.....There was some hitting of the children on the head—a really dangerous practice.....The mills run from 5 a.m. to 8 or 9 p.m. but no one in authority seems to find it necessary to see that the individual young worker or groups of them have any regular pause for meals."

" A report upon conditions in the Cairo silk winding and hand-rug making shop is equally bad. Tiny children of 5½ years and upwards work like rapid machines in the hand-work shops with all expression of childhood gone from their faces. In a rug-making shop a child suffering from the painful, dangerous and infectious disease of treachome was at work crowded close to other children. In the cigarette and tobacco factories children work among dangerous processes and imperfectly guarded machinery."

Mr. Wells then went on to say: " Equally dreadful are conditions in the Cotton Mills of Bombay." He gave no authority for this amazing statement, the effect of which, of course, was to convey to the minds of his readers that the same conditions that were alleged to be found in the mills of Egypt were to be found in the mills of Bombay, namely, long hours, cruelty, etc. Anything more untrue could not be imagined. Mr. Wells did not say whether he referred to the cotton mills in Bombay City, Ahmedabad or Sholapur, all of them important centres of the industry in this presidency. At the time Mr. Wells' book was written there were only 40 children employed in the mills in Bombay City, and only 2,916 in the Presidency as a whole.

Under the provisions of the Indian Factories Act, the minimum age of employment for children was 12, and no child can be employed in any factory for more than six hours on any one day. Moreover, no child was employed in a factory unless he was in possession of a certificate granted by a certifying surgeon, showing that he was not less than 12 years of age, and was fit for employment in a factory, and no child was employable in any factory before 5-30 in the morning or after 7 o'clock in the evening.

As regards the reference to children working ' among dangerous processes and imperfectly guarded machinery,' the comparative accident rates for Bombay and Great Britain for *all* operatives showed that in Bombay mills, this was ·3 whereas the corresponding accident rate in Great Britain was ·5, although the exposure to risk was greater in Bombay as the hours of work were 60 a week as compared with 48½ in Great Britain.

No better refutation could be found to the statements made by Mr. H. G. Wells than the undermentioned paragraph extracted from " Indian Industry," written by Miss M. Cecile Matheson, Member of the British Industrial Court and of Trade Boards, and formerly Warden of Birmingham Settlement :—

" For some unknown reason, there seems to be an impression abroad that factory conditions in India are particularly bad. It is with a sense of surprised relief, therefore, that the visitor, accustomed to industrial sights and sounds in the older industrial countries, looks upon the spacious, well-built factories and the well-guarded machinery that are the rule and not the exception in India. The older rambling type of factory is to be found and deficiencies and abuses exist, but before launching upon a description of ' industry as she looks ' let it be said at once that the equipment and conditions in the Indian factories are not strikingly below those found elsewhere. India's best is not equal to the best to be seen in England or America, but her average comes very near to theirs, being better in some respects and lower in others, and she holds her own well in the comity of nations of which she forms a part through the International Labour Office. This must not be taken to mean that there is not ample room for reform, but it is an emphatic protest against any sweeping condemnation of Indian factory conditions. The progress that has been achieved should command our respectful admiration. There seems to be little fear at the moment that it will produce a lethargic content."

This book, together with the " Report of Investigations into the Conditions of Indian Textile Workers " by the Rt. Hon'ble Tom Shaw, and the Report of the Royal Commission on Labour in India published recently, would have given Mr. Wells the facts—good and bad—about the Cotton Mill Industry, and it was to be regretted that he did not make the slightest attempt to verify the accuracy of his statements with regard to the employment of children in the Bombay Cotton Textile Industry.

The matter was taken up by the Director of Information and Labour Intelligence, Government of Bombay, with the publishers of Mr. Wells' book, and it was pointed out that as the statements referred to were grossly unfair to the officers of the Factories Department in Bombay, the value of whose work was acknowledged by the Whitley Commission, the passages in question should be deleted from subsequent editions of the book.

Mr. Wells, it is understood, subsequently agreed to delete the sentence relating to Bombay conditions from future reprints of his book, as he recognized from the facts placed before him that his information about Bombay was out of date.

PROPOSED ENQUIRY REGARDING FACILITIES FOR ASCERTAINING RATES OF WAGES, GRANTING OF LEAVE AND LOANS AND ADVANCES TO WORKERS.

Early in October, the Labour Office informed the Association that it was proposed to conduct enquiries with a view to ascertaining what facilities were given to operatives for ascertaining rates of wages and the procedure at present adopted in regard to granting of leave and loans and advances to workers, and asked the Committee whether they agreed in principle to the enquiries being made.

The Association was prepared to co-operate with the Labour Office in the proposed enquiries provided :—

(1) there was previous consultation with the Association as to the details of the questionnaire ;

(2) no reference was made in the reports of the Labour Office to any individual mill by name ;

(3) the reports were confined to statements of facts ; and

(4) only one enquiry was conducted at a time.

The Labour Office subsequently agreed to these demands, and in consultation with the Association have decided to confine the scope of the first enquiry to an investigation into the conditions obtaining regarding the grant of leave to operatives. (*Appendix* **43.**)

ENQUIRY INTO CONDITIONS OF WORK, HOURS OF EMPLOYMENT, ETC., IN THE TEXTILE INDUSTRY.

At the eleventh session of the International Labour Conference held in 1928, the Governing Body of the International Labour Office was authorized " to consider the possibility of undertaking an investigation as early as possible into the conditions of work of men, women and children employed, including wages, hours of work, hygienic conditions and other conditions affecting their employment, in the textile industries of the various countries of the world." A special questionnaire was accordingly drawn up by the Governing Body for conducting such an enquiry, and forwarded to the various Member-States to collect information on the lines laid down therein.

On receipt of the above questionnaire, the Government of India, it appeared, enquired from the Labour Office, Bombay, whether it would be possible to procure the information required by the Governing Body of the International Labour Office without conducting a special enquiry for the purpose, and if this was not possible, whether such an enquiry could be conducted without considerable expense to Government. The Bombay Labour Office did not think that the questionnaire drawn up by the International Labour Office could be answered without further investigation. At the same time the enquiry did not appear to them to be so onerous or difficult as to prevent an *ad hoc* enquiry from being conducted ; but before going into the details of the enquiry, they desired to be informed whether the Association would be willing to co-operate with them in this connection.

The enquiry appeared to be in the nature of a roving investigation into the industry with no definite or well-defined objects in view. One of the reasons for the enquiry, specified in the preamble to the resolution of the Conference, was " the advisability of determining the exact labour situation in an industry where women constitute the majority of workers, more especially in order to facilitate the ratification and universal application of the International Labour Conventions concerning the protection of women and children." Women, however, did not constitute the majority of workers in the Bombay Cotton Mill Industry, while India was one of the first countries to ratify the Convention against the employment of women and children at night. The terms of the Convention were being observed rigidly, and it had not been suggested that they needed tightening up, and the necessity of an investigation on the lines suggested did not, therefore, arise, so far as the Indian Textile Industry was concerned.

Moreover, it was felt that if the information was collected in the form required by the Labour Office, an entirely misleading picture might be presented of existing industrial conditions in India : an enquiry merely into wages and hours of work would be very one-sided and would not convey a correct perspective of conditions obtaining in Indian textile mills. If the enquiry was to be of any value to the industry, it was thought, it should cover a wider ground. Information regarding output per operative and the relation between his wages and the total manufacturing cost and other items of a like character should also be taken into account, while wages in other industries and in agriculture must also be considered if any estimate of the

conditions of textile labour in India was to be complete and satisfactory. Ultimately the Committee agreed to co-operate with the Labour Office, if Government eventually decided that an investigation on the lines proposed would serve some useful purpose. (*Appendix* **44.**)

STATISTICS OF ATTENDANCE IN FACTORIES.

The Royal Commission on Labour in India found that the existing statistical information relating to labour was reasonably accurate, but thought that more attention should be paid in some provinces to checking the figures supplied by factory-owners in respect of the average number of workers employed. They, therefore, recommended that Government should examine the possibility of obtaining from factory-owners the total number of persons employed in their factories for not less than one month in a year. The Commission were aware of the difficulties involved, but they believed that in perennial factories particularly, the maintenance of some record of this type would be of advantage to employers in obtaining the facts relating to turnover.

Early in February, the Chief Inspector of Factories drew the attention of the Association to the Commission's recommendations, and pointed out that the Commission's intention was that Government should secure from each factory-owner at the end of each year an annual report showing, in respect of the year, the total number of persons who, at any time during the year, were employed in the factory for an aggregate period (not necessarily continuous) of not less than 30 days. He stated that in a factory where the turnover was large, the total number of persons who, during the year, were employed in the factory for an aggregate period of not less than 30 days would undoubtedly be largely in excess of the average number of persons employed during the year, and this excess would provide a measure of the extent of the turnover in the factory concerned. It appeared that the Chief Inspector of Factories had been directed to inquire whether, in the event of information of this kind being statutorily required, any reasonable amount of difficulty would be caused, and at the same time whether, in the event of the Government of India deciding to adopt this course, the information should be obtained for a consecutive period of not less than 30 days, or whether it should be collected for, say, three periods of 10 days each at different times in the year.

Before expressing an opinion on the subject, a special sub-committee of the Association met the Chief Inspector of Factories in order to ascertain his actual requirements. It appeared that the idea was, in the first instance, to get information regarding turnover over an aggregate of 30 days, and whether the submission of information would cause an unreasonable amount of difficulty ; and secondly, whether the information should be obtained for one continuous period of 30 days or whether it should be obtained for several periods totalling 30 days, at different times in the year. His idea was that figures for 10 days in, say, March, July and November would yield an average that would be more useful than a figure obtained over any one period of 30 days fixed anywhere in the year.

The Association had always been willing to assist in the collection of facts in regard to labour turnover provided the information could be elicited without unreasonable expenditure of time and energy. There appeared to be, however, great practical difficulties in the way of accepting the suggestion made by the Commission that mills should ascertain the total number of persons employed for more than 30 days in a year, and even if those difficulties could be overcome, it was necessary to state that the objects aimed at by the Royal Commission would not be achieved by the methods suggested in any centre which contained more than one factory of the same kind for the reason that the same workers often found employment in more than one mill during any particular year. The Committee considered, however, that the most promising method of achieving results which would be of real value to the industry would be for the Labour Office to conduct detailed investigations with very definite and limited aims. Attention was, in this connection, drawn to a similar inquiry conducted in the Alexandra and E. D. Sassoon mills by the agents concerned, and it was considered that a study of the methods adopted might possibly assist the Chief Inspector of Factories in determining what could and should be attempted in connection with the recommendations made by the Royal Commission on Labour. (*Appendix* **45.**)

THE USE OF COAL IN BOMBAY MILLS.

In the middle of October 1931, the Indian Mining Federation, Calcutta, addressed the Association in regard to the advisability of Bombay mills using coal instead of oil. It was pointed out on behalf of the Federation that " at the present price of coal and oil, it is distinctly economical for the cotton mills to burn in their boilers coal rather than oil fuel"...and it was urged that "in the long run it is always in the best interest of one industry to stand by a sister industry." The Federation were not precisely aware of the circumstances under which millowners replaced coal by oil fuel in their boilers, but presumed that it was due to the acute wagon position which prevailed in 1920 and 1921, when serious apprehensions were entertained as to a regular supply of coal from Bengal coal-fields to the distant parts of the country. In any event, they pointed out, " oil fuel was introduced at a time when the prices of coal were higher than they are at present," but that the marked fall of Indian coal prices which had since taken place had completely changed the situation.

The Committee pointed out in reply that one of the factors which operated on the minds of mills who switched over from coal to oil, and which was not specified by the Federation, was the poor quality of coal which they used to receive from Bengal. It was possible that this particular defect had since been overcome; but the question of going back to Indian coal on the completion of mills' existing contracts with the oil companies was largely dependent on the comparative cost of fuel oil and coal. The matter had been under the consideration of the Association and of individual mills, and it was pointed out that if it was definitely ascertained that Indian coal was comparable in price to fuel oil, the Association would do what it could to encourage mills to use it; but certain other considerations had also to be

taken into account, namely, regularity of steaming, cost of extra labour involved in the use of coal, smoke nuisance difficulties, stacking accommodation, deterioration and loss during the monsoon, etc. The desirability of the Cotton Textile Industry doing what it could to support sister industries in the country had always been recognized by the Association, and the Committee assured the Federation that this point would always be borne in mind.

The desirability of mills substituting coal for oil fuel and confining their purchases to Indian coal was urged by several other organizations also. In explaining the Association's attitude in each case, it was pointed out that the question was not one in which costs alone had to be considered : other factors, such as availability of supplies, cost of change-over of the plant which had to be scrapped, contractual obligations, etc., had to be studied, but where it could be proved that the relative costs of the two commodities did not make the use of coal too disadvantageous, the Association had always encouraged, and would continue to encourage, its members to use coal in preference to liquid fuel. There was, however, reason to believe from figures worked out by the Association that for some mills at any rate, it might be possible to effect a change-over without serious loss, but the reduction in oil price subsequently made by the oil companies completely changed the situation with the result that any substantial change-over was for the time being out of the question. (*Appendix* **46.**)

BOMBAY FIRE INSURANCE ASSOCIATION'S RULES FOR CONSTRUCTION.

Towards the end of June, the Fire Insurance Association informed the Committee that the existing rules for construction under the Cotton Mills and Godowns Tariffs were not very clearly worded, and it was, therefore, proposed to have these redrafted so that uniform rules should apply to both mills and godowns. It was further proposed that the new rules would be made applicable to buildings and extensions erected after the date on which they were introduced.

The Committee approved the draft rules except rule 9 (*h*), which provided that the glazing in the case of roofs built on the north light principle and in sky-lights must be of wired glass. They were of the opinion that the provision of such glass was unnecessary, and would entail a larger outlay than the needs of the case appeared to warrant and, therefore, suggested the retention of the plain sheet glass in roofs of this type of construction. (*Appendix* **47.**)

MEDICAL FACILITIES FOR MILL OPERATIVES.

Proposed Establishment of a Hospital Saving Association in Bombay.

Towards the end of August, the Surgeon-General with the Government of Bombay requested the Committee to express an opinion on a scheme for National Health Insurance in Bombay on the same lines as in Great Britain.

Briefly stated, the scheme, *inter alia*, proposed the organization of an association with the object of raising funds for the maintenance of all Bombay hospitals by collecting weekly contributions from the workers and employers by way of health insurance, the contributions suggested to be at the rate of two or three annas a week. It also sought to appoint a panel of doctors on a fixed remuneration to attend on the insured workers, and their dependents, for minor ailments, and when necessary, transfer them to hospital for treatment. It was further laid down that large employers of labour might insure all their employees *en bloc* and deduct the contribution from the wages of their workmen.

The Committee of the Association felt that having regard to the vastly different conditions in this country, it was undesirable to introduce schemes of social insurance modelled on those found suitable in western countries. The Royal Commission on Labour had stated that in instituting measures of this kind, there is a greater possibility of achieving success by building on an existing foundation than by introducing methods which are entirely foreign to the country. The Committee entirely agreed with this view, and further pointed out that, as free medical service and attendance was already provided for by almost all mills in the City and Island of Bombay, a scheme of the nature proposed was uncalled for in the case of mill operatives at any rate. Lack of faith in western medical methods, as pointed out by the Royal Commission, was still a very important factor which, it was further argued, would militate against the probability of the classes for whom it was intended taking advantage of the scheme to an extent which would justify its introduction. The Committee held that any scheme of social insurance must be broad based, and not restricted to particular classes of the population, or to special industries in special areas. (*Appendix* **48.**)

WELFARE WORK.

Early in 1930, the Association made certain recommendations for the improvement and co-ordination of welfare work done by member mills in Bombay. The suggestions made at the time covered a wide field and members were recommended, among other things, to provide free medical treatment for their operatives, and to improve the equipment and utility of mill dispensaries. A fair amount of progress was made in these directions. It was, however, felt that the work hitherto done by Mill Doctors might with advantage be co-ordinated and that the possibilities of development in the region of constructive work by Mill Doctors might be explored with advantage to the working population. A move in this direction was facilitated by the presence in Bombay of Miss Hawkins, who had come out to India a year before at the invitation of the National Council of the Young Women's Christian Association to work in an advisory capacity in industrial welfare work in India. She has had considerable experience of welfare work in England, especially in the Lancashire cotton mills, and she was doing similar work in Bombay for the Young Women's Christian Association. The Association, therefore, accepted an offer made by the National General

Secretary of the Young Women's Christian Association to loan her services to the industry for a period of six months with a view to assist existing or contemplated schemes of welfare work in mills. A special committee of Mill Doctors was appointed to work in collaboration with Miss Hawkins. The committee examined the whole problem of welfare work on the medical side in all its aspects, and formulated certain proposals which were accepted by the Committee of the Association. They may be summarized as under :—

Educative work by Mill Doctors.—The importance of educating work-people in social hygiene was recognized at an early stage of the proceedings, and it was decided to work in conjunction with the Bombay Presidency Baby and Health Week Association, who were doing similar work in the City and who had considerable experience of such work. A joint meeting with the executive of the Baby and Health Week Association was held, and various detailed suggestions were made for the amendment of the leaflets and posters issued by that Association with a view to make them more suitable for the class of people for whom they are intended.

Illness and accident records.—The absence of any reliable data as to the extent of illness among the working population in Bombay led the committee to recommend the adoption of a form of illness record which they had drawn up ; and it was felt that it would be possible to collect much useful information as to the extent and causation of illness in Bombay mills from a study of these records.

Similar detailed study of the more common types of accidents occurring in mills was also recommended by the Committee as a means of ascertaining the causation, severity and frequency of accidents among mill operatives. The record would in the first instance, be maintained by a few selected mills in order to ascertain whether it could be recommended for more general adoption at a later date.

Medical examination of operatives before employment.—The importance of a healthy complement of workers for the industry led the Mill Doctors' Committee to suggest the introduction, as an experiment, of a simple medical examination of operatives before employment. The experiment was to be limited to a period of a year and would be made, at the outset, in only two or three selected mills. The lines on which the examination was to be conducted had been carefully thought out, and it would apply to applicants for permanent employment only. The object of the examination was not to eliminate workers, but the detection of obvious defects in physique, which might be corrected by proper treatment from the beginning.

It may be stated that Miss Hawkins has made various other suggestions for the improvement of dispensaries, the provision of bathing and washing facilities, and the erection of canteens and dining-sheds for operatives, which are at present under consideration.

SAFETY ORGANIZATIONS IN INDUSTRIAL UNDERTAKINGS.

The International Labour Office has, for some time past, devoted special attention to the problem of minimising the hazards of industrial

occupation and the measures to be taken for the prevention of accidents in large-scale industrial establishments. Much has been done in India also in recent years in this direction, and various suggestions made from time to time by the Factory Inspection Department for the promotion of the worker's safety have been accepted by the Association.

The growth of the Safety First movement in Europe and America in recent years has led to a demand for its extension to industrial undertakings, and in many large factories a special engineer has been appointed charged solely with the maintenance of safety devices, enquiry into accidents and the further development of safety measures, while Safety Committees have been set up with the same object in smaller factories.

The Chief Inspector of Factories suggested that the creation of a special post of safety engineer by the Association and the development of Safety Committees in individual mills would greatly assist in the prevention of accidents.

A special sub-committee of managers and engineers of mills, to whom the proposals were referred for detailed consideration, were of the opinion that it would be possible to suggest measures for the prevention of accidents if it was known how they were caused. A record of all accidents reported to the Factory Inspection Department during the first six months of the year was, accordingly, compiled, and discussed by the Sub-Committee with the Chief Inspector of Factories. It was agreed that, in view of the very large number of accidents caused when cleaning machinery in motion, it would be desirable to warn workers, and particularly new workers, of the dangers of handling machinery in motion. It was suggested by the Chief Inspector of Factories that this could be effectively done by stencilling or painting a Red Triangle which is part of the crest of the Safety First Association of India, on dangerous machinery parts.

The Committee accepted the suggestion as one which was likely to lead to an appreciable reduction in the number of accidents arising from this cause, and have recommended mills to carry it out. The Red Triangle will be painted, in the first instance, on the following machinery parts which have been selected by the Chief Inspector of Factories as being specially dangerous to tend when in motion :—

Drawing Frames :—

Guard over calender roller wheels.

Cards :—

(*a*) Front Plate ;

(*b*) Licker-in Cover ; and

(*c*) Back Panel Door.

Ring Frames :—

Guard over roller and draft change gearing.

LIST OF PRICES OF IMPORTED PIECEGOODS.

(*See page* 69 *of the Association's Report for* 1931.)

In the last issue of the Association's Report, reference was made to the weekly record of wholesale prices of competitive lines of piecegoods compiled by the Collectors of Customs at the Chief Presidency ports in India. The cloths for which prices were obtained were selected in the latter half of 1930 by the Customs authorities in consultation with leading commercial organizations and chambers of commerce, and the selection was naturally confined to such special cloths as were then being imported regularly. Great changes had since taken place in the nature of these imports, and the Committee, therefore, requested the Government of India, towards the end of June, to consider the advisability of amending the list in consultation with the Collectors of Customs. The Committee also suggested the inclusion of several well-known marks of bleached shirting, mulls, printed goods, flannelettes, lungies and dhoties which were reported to have been imported into India from Japan during the year in very considerable quantities.

The Committee's suggestions have already been accepted so far as the Bombay list is concerned.

RENEWAL OF MAIL CONTRACT WITH THE BRITISH INDIA STEAM NAVIGATION COMPANY.

Early in July, the Government of Bombay informed the Association that the existing contract with the British India Steam Navigation Co. for the conveyance of mails would expire on 31st January 1934, and that the question of making arrangements for the conveyance of mails after the expiry of the contract had been taken up by the Director-General of Posts and Telegraphs. Government enquired whether the Committee had any suggestions to make for the modification or improvement of the existing contract.

The Committee had no suggestions to offer, but it was pointed out that Government might consider the advisability of inviting tenders for the contract when it expired in 1934 and give preference, if practicable, to Indian steamship companies. (*Appendix* **49.**)

RESULTS OF THE WORKING OF THE COTTON MILLS OF BOMBAY IN 1931.

In accordance with the usual practice, an annual statement showing the results of the working of the cotton mills in Bombay was prepared by the Association and audited by Messrs. A. F. Ferguson & Co. Sixty-eight out of the eighty-three mills in Bombay submitted returns. The statement showed a total loss of Rs. 1,06,88,211 for the year 1931, after providing depreciation on machinery and buildings, in spite of the fact that during the year managing agents gave up commission to the extent of Rs. 6,51,757.

RAW COTTON STOCKS HELD BY BOMBAY MILLS ON 31ST AUGUST 1932.

In accordance with the usual practice, particulars of stocks of raw cotton held by Bombay cotton mills were collected, and the following summarized statement was subsequently issued :—

Cotton actually on hand in Mill Godowns.		Ready cotton bought but not taken delivery of.		Total.	
Actual number of bales.	Actual weight of bales (in candies of 784 lbs.).	Actual number of bales.	Actual weight of bales (in candies of 784 lbs.).	Actual number of bales.	Actual weight of bales (in candies of 784 lbs.).
193,437	106,304	22,274	11,299	215,711	117,603

Note.—The above figures do not include the stocks of one working mill.

DONATIONS.

At the Annual General Meeting of the Association held on 23rd February 1932, the following donations were sanctioned, and paid out of the Association's funds :—

	Rs.
The Victoria Jubilee Technical Institute	1,500
The Police Comforts Fund	1,000
The Sir J. J. Hospital Nursing Association Fund ..	750
The Textile Technical School	500
The Sydenham College of Commerce and Economics ..	500
The Bombay Textile and Engineering Association ..	400
The Goculdas Tejpal Nursing Association Fund	200
The King Edward Memorial Hospital Poor Box Fund ..	200
The Maharashtra High School	150
Total .. Rs.	5,200

MILL HOLIDAYS AND PAY-DAYS FOR 1933.

The following mill holidays, which are in accordance with the provisions of the Indian Factories Act, have been fixed by the Committee for adoption by the Bombay members of the Association during the year 1933.

If, for any special reason, it is found necessary to close the mills on days other than those mentioned below, the Chief Inspector of Factories, Bombay, should be informed in accordance with section 22 of the Indian Factories Act.

Month.	Date of Holiday.	Day of Week.	Festival.	Monthly Pay-day.	Day of Week.
January	1st	SUNDAY.	*New Year Day*	13th	Friday.
	8th	Do.			
	14th	Saturday	*Makar Sankrant*		
	22nd	SUNDAY.			
	29th	Do.			
February	5th	SUNDAY.		11th	Saturday.
	12th	Do.			
	22nd	Wednesday	*Maha Shivratri*		
	26th	SUNDAY			
March	5th	SUNDAY.		11th	Saturday.
	12th	Do.			
	13th	Monday	*Holi*		
	14th	Tuesday			
	19th	SUNDAY.			
	27th	Monday	*Gudi Padwa*		
April	4th	Tuesday	*Ram Navmi*	8th	Saturday.
	9th	SUNDAY.			
	16th	Do.			
	23rd	Do.			
	30th	Do.			
May	7th	SUNDAY.		13th	Saturday.
	14th	Do.			
	21st	Do.			
	28th	Do.			
June	4th	SUNDAY.		10th	Saturday.
	11th	Do.			
	18th	Do.			
	25th	Do.			
July	3rd	Monday	*Ashadi Ekadashi*	8th	Saturday.
	9th	SUNDAY.			
	16th	Do.			
	23rd	Do.			
	27th	Thursday	*Nag Panchami*		
August	5th	Saturday	*Narli Purnima*	12th	Saturday.
	13th	SUNDAY	*Gokul Ashtami*		
	21st	Monday	*Solar Eclipse*		
	24th	Thursday	*Ganesh Chaturthi*		
	30th	Wednesday	*Gowri Visarjan*		
September	3rd	SUNDAY	*Anant Chaturdashi*	9th	Saturday.
	10th	Do.			
	19th	Tuesday	*Sarva Pitra Amvasia.*		
	24th	SUNDAY.			
	28th	Thursday	*Dasara*		
October	8th	SUNDAY.		14th	Saturday.
	15th	Do.			
	19th	Thursday			
	20th	Friday	*Dewali*		
	21st	Saturday			
	29th	SUNDAY.			
November	5th	SUNDAY.		11th	Saturday.
	12th	Do.			
	19th	Do.			
	26th	Do.			
December	3rd	SUNDAY.		9th	Saturday.
	10th	Do.			
	17th	Do.			
	24th	Do.			

Any members desiring to make a change in the list of holidays or pay-days as enumerated in the above list should intimate the Association of their intention to do so at least ten days prior to the holiday or pay-day concerned.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

For purposes of record, the Indian Customs Tariff, Schedules II and III, appended to the Indian Tariff Act, VIII of 1894 (as in operation on 1st January 1933), showing the rates of customs duties levied on goods imported into and exported from British India, together with tariff values assigned to certain articles for the purpose of assessment of customs duties during the twelve months January to December 1933, are reproduced in full in *Appendix* **50.**

BOMBAY MILLOWNERS' ASSOCIATION.

Balance-sheet as at 31st December 1932.

LIABILITIES.	Rs.	a.	p.	Rs.	a.	p.
For Imperial Bank of India (Overdraft)	13,284	13	2			
For Auditors' fees, Advertisement, Printing, Stationery, Electric Lights and Fans, Rent for Show-room at Victoria Terminus, etc., unpaid	1,753	1	0			
				15,037	14	2
Amount appropriated for future propaganda and action for the promotion of the piecegoods and yarn trade of Member mills.				22,770	2	3
Amount received in advance from Member Exhibitors towards the expenses of the Show-room at Victoria Terminus ..				7,979	3	6
Amount received from Mills towards expenses in connection with Municipal Assessment of Mills in Bombay				2,874	15	8
Arbitration Deposits				180	0	0
ASSOCIATION'S GENERAL FUND—						
Balance as on 31st December 1931	1,78,560	7	8			
Add—Excess of Income over Expenditure in 1932	5,512	12	7			
				1,84,073	4	3
Total Rs. ..	..	..	..	2,32,915	7	10

ASSETS.	Rs.	a.	p.	Rs.	a.	p.
Interest accrued on Association's Investment of General Fund up to 31st December 1932, but not received	4,788	8	4			
Outstandings due	1,177	0	6			
				5,965	8	10
Advance payments made on account of Books and Periodicals, Telephones, Salary of Clerk at Calcutta, and other sundry items				788	15	3
Advances to staff				800	0	0
ASSOCIATION'S INVESTMENTS—						
Government 3½ per cent. Promissory Notes of 1865, 1854/55 and 1900/01 for Rs. 2,17,000 at cost	1,45,051	14	0			
Government 4½ per cent. Bonds 1934 for Rs. 33,100 at cost ..	32,272	8	0			
Government 5 per cent. Indian War Loan War Bonds 1929/47 for Rs. 25,000 at cost	24,156	4	0			
Government 5½ per cent. Bonds 1938/40 for Rs. 5,600 at cost..	5,488	0	0			
Government 6 per cent. Bonds 1933/36 for Rs. 15,000 at cost..	15,000	0	0			
				2,21,968	10	0
(*Note* :—The present worth of the above securities is Rs. 2,40,928-9-0).						
CASH—						
Cash in the Imperial Bank of India, Secretary's Account ..	1,500	0	0			
Cash in hand	1,892	5	9			
				3,392	5	9
Total Rs. ..	..	..	..	2,32,915	7	10

Examined and found correct.

A. F. FERGUSON & Co.,
Chartered Accountants,
AUDITORS.

T. MALONEY,
Secretary.

BOMBAY. *27th January* 1933.

BOMBAY MILLOWNERS' ASSOCIATION.

Income and Expenditure Account for the year ended 31st December 1932.

EXPENDITURE.	Rs. a. p.	Rs. a. p.	INCOME.	Rs. a. p.	Rs. a. p.
To Establishment	84,419 0 0		By Subscriptions for the year ended 31st December 1932..	1,10,337 0 0	
Conveyance Allowance to Secretary	1,200 0 0		,, Miscellaneous Receipts	2,162 12 0	
Preparation of Monthly Import and Export Statistics for 1932	2,864 0 0		,, Interest on Investments of General Fund	12,986 5 7	
Preparation of Statistics for the Bombay Cotton Mill Industry for 1931	548 0 0				1,25,486 1 7
Office Rent	4,100 0 0				
Printing Statistical Returns, Mill Statement for 1932 and Annual Report for 1931, etc.	4,897 13 0				
Stationery	2,129 10 9				
Advertisements	214 0 0				
Books and Periodicals	913 10 6				
Auditors' Fees	200 0 0				
Telephones	653 8 9				
Electric Lights and Fans	443 13 6				
Law Charges	255 10 0				
Furniture and Fixtures	253 0 0				
Petty Charges, Sundry Expenses including Postage and Telegrams	2,549 3 3				
Association's Contribution to Provident Fund	3,726 10 8				
Membership Subscription to the International Federation of Master Cotton Spinners' and Manufacturers' Associations for 1932..	2,954 3 9				
Loss on investment of sterling securities	2,451 0 10				
	1,14,773 5 0				
ASSOCIATION'S CONTRIBUTIONS FOR THE YEAR TO :—					
Rs. a. p.					
The Victoria Jubilee Technical Institute.. 1,500 0 0					
The Sydenham College of Commerce and Economics 500 0 0					
The Police Comforts Fund 1,000 0 0					
The Sir J. J. Hospital Nursing Association Fund.. .. .. 750 0 0					
The Goculdas Tejpal Hospital Nursing Association Fund 200 0 0					
The Bombay Textile and Engineering Assn. 400 0 0					
The Textile Technical School 500 0 0					
The Maharashtra High School 150 0 0					
The King Edward Memorial Hospital Poor Box Fund.. .. .. 200 0 0	5,200 0 0				
		1,19,973 5 0			
Balance being excess of Income over Expenditure transferred to Association's Balance-sheet		5,512 12 7			
Total Rs. ..	....	1,25,486 1 7	Total Rs. ..	....	1,25,486 1 7

Examined and found correct.

A. F. FERGUSON & Co.,
Chartered Accountants,
AUDITORS.

T. MALONEY,
Secretary

BOMBAY, *27th January* 1933.

BOMBAY MILLOWNERS' ASSOCIATION PROVIDENT FUND.

Statement of Funds as at 31st December 1932.

RECEIPTS.	Rs. a. p.	Rs. a. p.	EXPENDITURE.	Rs. a. p.	Rs. a. p.
By Amount of Funds as at 1st January 1932		65,067 9 2	To Expenses during the year	....	10 9 0
„ Subscriptions Paid :—			„ INVESTMENTS —		
By the Members of the Bombay Millowners' Association	3,726 10 8		Government 3½ per cent. Promissory Notes 1842/43, 1854/55, 1865 and 1900/01 for Rs. 26,200 at cost ..	17,496 8 0	
By the Members of the Millowners' Mutual Insurance Association, Limited, Rs. 1,192-8-0.			Government 4 per cent. Promissory Notes 1960/70 for Rs. 5,000 at cost	4,406 4 0	
Less : Paid in advance last year. Rs. 150-0-0.	1,042 8 0	4,769 2 8	Government 5 per cent. Tax-free War Bonds 1933 for Rs. 5,000 at cost	4,892 8 0	
„ Contributions Paid :—			Government 5 per cent. Tax-payable Bonds 1929/47, 1939/44 and 1935 for Rs. 20,000 at cost	19,899 4 3	
By the Bombay Millowners' Association	3,726 10 8		Government 6 per cent. Bonds 1933/36 for Rs. 24,000 at cost	23,705 10 0	
By the Millowners' Mutual Insurance Association, Limited	1,192 8 0	4,919 2 8	(The present worth of these securities is Rs. 73,602-4-0)	70,400 2 3	
„ Interest, (including interest accrued to date Rs. 1,390-9-4)	....	3,430 4 10	„ Interest accrued and due on the above Securities ..	1,390 9 4	
„ Reserve against Depreciation of Government Securities (created from excess interest received):—			„ Cash with the Imperial Bank of India in Current Account	3,759 9 10	
As per last account	49 1 3		„ Cash in hand	2,875 13 4	
Add : Transfers this year	201 7 2	250 8 5			78,426 2 9
TOTAL RS. ..	....	78,436 11 9	TOTAL RS. ..	....	78,436 11 9

Examined and found correct.

A. F. FERGUSON & Co.,
Chartered Accountants,
AUDITORS.

BOMBAY, *27th January*, 1933.

T. MALONEY,
Secretary.

Report for the year 1932.

Section III.

CORRESPONDENCE.

APPENDICES **1—50.**

APPENDIX I.

REGISTRATION OF TRADE NUMBERS.

Copy of Circular No. 1097/54 *of* 1932, *dated* 10*th June* 1932, *to all Members of the Association.*

With my letter* No. 1410 dated 19th June 1931, I forwarded to you a printed list of Trade Numbers—compiled from data submitted up to March 1930—which are used by only one mill on a particular sort of cloth. This was followed on 21st December 1931, by a supplementary list of " Exclusive Numbers," being compiled from numbers introduced during the period March 1930 to February 1931. Members were also asked to make any corrections which they considered were necessary in the two lists, and as a result, several corrections have been made in the lists in question, and at a very early date these will be printed for the use of members.

The lists referred to above relate only to numbers which are used by only one mill on a particular class of cloth. Numbers which are used by more than one mill on the same class of cloth have at the present been placed in the Suspense Register. But it is possible that the rights over most of these numbers may be settled if the present users of these numbers come together and decide the question *strictly according to priority of usage.* Numbers over which an agreement of this nature has been arrived at become *ipso facto* " Exclusive Numbers " on the particular class of cloth in question, and are eligible for transfer to the list of " Exclusive Numbers " which will be issued very shortly.

The Committee of the Association consider that, in view of the enormous labour involved, it will be impossible for the Association to take upon itself with the limited staff at its disposal the adjudication of the rights over scores of thousands of numbers which are at present in the Suspense Register. They are, however, prepared to give a lead where only 4 or a less number of mills are involved, by affording all possible facilities to the mills concerned to arrive at a decision in regard to the ownership of such numbers, and I am accordingly to enclose herewith for your information a complete list* of all numbers which are at present used by you in conjunction with not more than 3 other member mills. The Committee would greatly appreciate it if you could, immediately on receipt of this letter, communicate direct with the other mills concerned with a view to arrive at an agreement as regards the exclusive rights over each and every number in the list. I may also be kept informed of the progress of these negotiations so that in the event of your being able to persuade the other users of your numbers to give up the use of any particular number, the fact may be noted in the next list of " Exclusive Numbers."

For your ready reference, I enclose herewith a detailed list* of all the classifications referred to in the list of trade numbers and a full list* of all members of the Association with the abbreviations by which they have been referred to in the list. If you want any further information on the point, I shall be glad if you will kindly let me know.

Copy of Circular No. 1131/54 *of* 1932, *dated* 15*th June* 1932, *to all Members of the Association.*

Subject :—REGISTRATION OF TRADE NUMBERS.

In 1926-27, the Tariff Board having been impressed during their visits to the principal consuming centres in India with the harm done to the Indian Mill Industry owing to the practice of selling varying qualities of cloth under the same trade number, made a very strong recommendation for the adoption of a system of registration somewhat similar to that which the Association has for trade marks. They stated in their report that the object of registration would be the maintenance of the quality of the cloth sold under a particular number ;

* Not printed.

and a system of registration, they held, should provide for the allocation of numbers to all mills and penalties for infringement of the rules drawn up. Under the Tariff Board's scheme, each mill was to be allotted definite ranges of numbers and no other mill would be permitted to use numbers within those ranges.

2. Long before the Tariff Board had issued their report, the Association had advocated the introduction of a system of registration. The first serious attempt to solve the problem was made in 1914, but the difficulties were found to be too great and nothing effective resulted. In 1924, another attempt was made but was ultimately dropped on an adverse report from the Association's counsel. The Tariff Board report again stimulated interest in this matter, and early in 1928, a serious attempt was made to find a solution of this extremely difficult problem. The Tariff Board's ideas were first discussed, but had to be turned down for the reason that they would necessitate an entirely fresh start, and it was found that the majority of mills were unwilling to give up the use of their existing numbers, no matter whether they were exclusively used by them or whether they had been copied by others. It was from the first recognised that there would be no insuperable difficulty in devising a satisfactory scheme of registration for the future, once the rights to all existing numbers had been settled, and it was to this aspect of the question that the attention of the Trade Numbers Sub-Committee of the Association was chiefly directed in the three years following the Tariff Board Report.

3. It is not necessary to stress the difficulties which have been encountered and overcome during that period, and it will suffice to say that the procedure adopted was briefly as follows. The manufactures of the mill industry were in the first place divided into between 60 and 70 separate categories, each of which was readily distinguishable from any other category. After the categories had been agreed to, all members of the Association were asked to submit returns of all the numbers used by them on each particular class of goods. The collection of this information took a great deal of time, but eventually an almost complete list of the numbers used by every member up to April 1930, was obtained. These returns, which covered roughly 50,000 numbers, were then carefully scrutinised and tabulated into two sections : (*a*) Numbers which were used by one mill only ; (*b*) numbers which were used by two or more mills on the same class of cloth. Numbers under head (*a*) were subsequently printed and published, and circulated to all members of the Association as a provisional List of Exclusive Numbers on the 19th June 1931. Numbers in list (*b*) were entered in a Suspense Register.

4. It may here be mentioned that the procedure followed in tabulating the first list of exclusive numbers was to permit the inclusion of any number *which differed in any way from all other numbers used on that cloth.* Subsequently, the list of exclusive numbers was extended to include numbers used before February 1931 ; but no additions to the list of numbers in the Suspense Register were permitted unless it could be definitely proved that the mill had used the numbers in question before April 1930, and had inadvertently failed to submit those numbers in their original list.

5. At this stage it became apparent to the Trade Numbers Sub-Committee that, while the difficulties of introducing a satisfactory system of registration were great, they were not insuperable, and it was subsequently agreed by the General Committee of the Association that, subject to the approval of the General Body, a system of registration governed by special rules should be introduced as and from 1st July 1932, or from such other date as may be fixed for this purpose, and that complete lists of the numbers used up to that date—

(*a*) exclusively by one mill, and

(*b*) by more than one mill,

should be prepared.

6. The rules which it is proposed should govern registration after the introduction of the scheme have now been adopted by the Committee of the Association and are enclosed herewith. They will be considered at a Special General Meeting of the Association to be held some time in July, and if you have any suggestions to make for their amendment, the Committee would like you to submit them in writing before the end of this month.

7. If the rules for future registration, and the procedure suggested in regard to numbers at present in use, are agreed to at the Special General Meeting, it is proposed to make registration of all numbers used by member mills compulsory. Your views on this suggestion are also requested.

8. It might at this stage be pointed out that, while definite rules have been stipulated for future registration, these are really in effect only intended as an aid to the Secretary of the Association in establishing whether a number is *prima facie* suitable for registration. The ultimate decision regarding registrability will be decided by arbitration similar to that employed in the case of trade marks when a number provisionally accepted by the Secretary is objected to by another member. The decision will be arrived at by the Trade Numbers Sub-Committee if the applicant for registration considers that his number has been rejected by the Secretary for insufficient reasons.

9. As regards the allocation of rights to numbers which are at present in the Suspense Register, the Committee's decision has already been communicated to members, i.e., the parties concerned will negotiate direct, but the Association will be prepared to give a lead and furnish the necessary information to mills in respect of such of their numbers as are used by not more than three other member mills on the same class of cloth.

Copy of Circular No. 1654/54 *of* 1932, *dated 1st September* 1932, *to all Members of the Association.*

REGISTRATION OF TRADE NUMBERS: NUMBERS IN THE SUSPENSE REGISTER—ALLOCATION OF RIGHTS.

With my letter No. 1097/54, dated 10th June, I forwarded to you a list of numbers which are at present in the Suspense Register and which are being used by not more than four mills. The mills concerned were asked to get into communication with each other and accept or relinquish claims to numbers in accordance with priority of use. Some progress has been made in the allocation of rights by this method, but in many cases, it appears that although the same number is being used on a particular classification of cloth by two different mills, the cloths themselves are sometimes widely different in dimensions, weight, colour, etc. In other cases, although the texture and dimensions are similar, the interests of the mills using the number did not appear to suffer, the actual areas in which their respective products are sold being entirely different.

The Trade Numbers Sub-Committee of the Association, who were asked for a ruling on the above points, have agreed to accept an arrangement whereby two or more mills would have the right to use the same number on the same general classification of cloth, *provided the actual dimensions, etc., of the cloths in question are widely different.* They are at the same time opposed to any arrangement which would confer on two or more mills the right to use the same number on the same class of cloth on the sole ground that the mills concerned sell their cloths in different markets, as, in their opinion, it would be difficult to prevent selling agents and dealers from transporting the goods from one area to another. Moreover, the danger in such an arrangement is that another mill—not a party to the agreement—can hardly be prevented from using the number in question in either of the areas since the mills concerned in the agreement would hardly be in a position to prove exclusive right in a court of law.

These decisions may be borne in mind, and all agreements relating to the confinement of particular numbers to cloths of particular dimensions should be immediately reported to the Association with full details regarding dimensions, weight, etc.

Copy of Circular No. 1820/54, *dated 26th September* 1932, *to all Members of the Association.*

I am directed to call your attention to the enclosed notice* convening a special general meeting of members to pass the Rules for the Registration of Trade Numbers and the amended

* Not printed.

Rules for Arbitration on Piecegoods. Both sets of rules have already been circulated, but for ready reference, fresh copies are enclosed, in which are incorporated some minor amendments which have been made by the Committee as a result of suggestions received since these rules were originally circulated.

2. *Rules for Registration of Trade Numbers.*—A great deal of preliminary work in connection with the Registration of Trade Numbers has already been accomplished, and the major difficulties of the problem which confronted the Association in regard to numbers already in existence have been overcome. All that remains to be done is to fix a date for the introduction of the new Rules, and bring the list of Exclusive Numbers up-to-date. *The date suggested for the introduction of the new Rules is 1st January* 1933.

The List of Exclusive Numbers will be brought up-to-date in the following manner :—

As soon as possible after the special general meeting, member mills will be called upon to submit particulars of the numbers introduced by them since the date of the last enquiry (February 1931), to the end of October 1932. *As it would be impossible to begin the tabulation of these numbers until returns from every mill have been received, a limiting date for submission of the aforementioned returns will have to be fixed.* This, the Committee suggest, should be the 7th November 1932. Between 7th November and 31st December 1932, when the new Rules will come into force, the work of tabulation and the allocation of exclusive rights in respect of numbers introduced after February 1931, will be completed. In respect of numbers introduced since February 1931, the procedure in regard to allocation of exclusive rights will be the same as that previously followed, namely, that numbers will be accepted for entry in the Exclusive Register, which differ *in any way* from numbers already entered either in the Exclusive or Suspense Register. Numbers which correspond to numbers already registered will be rejected, since they must have been introduced on a date subsequent to the numbers already recorded.

As regards any numbers which members wish to introduce between 31st October and 31st December 1932, particulars of such numbers should be forwarded to the Association as and when it is intended to use them so that claims to such numbers may be dealt with strictly in the order of priority.

Copy of Circular No. 1941/54, *of* 1932 *dated* 11*th October* 1932, *to all Members of the Association.*

Further to my letter No. 1820/54, dated the 26th September, I have to inform you that the following resolution was adopted at a Special General Meeting of the members of the Association held on Monday, the 10th October 1932 :—

> " That the draft Rules for the Registration of Trade Numbers circulated by the Secretary be and are hereby approved and adopted."

The Rules will come into force on 1st January 1933, and in the meantime the List of Exclusive Numbers compiled by the Association will be brought up-to-date. The procedure which it is intended to adopt, was explained in my circular letter No. 1820/54, dated the 26th ultimo, but for ready reference, it is restated below :—

Members will be called upon to submit particulars of numbers introduced by them since the date of the last enquiry (February 1931), to the end of October 1932. As it would be impossible to begin the tabulation of these numbers until returns from every mill have been received, a limiting date for submission of the aforementioned returns will have to be fixed. This, the Committee suggest, should be the 7th November 1932. Between 7th November and 31st December 1932, when the new Rules will come into force, the work of tabulation and the allocation of exclusive rights in respect of numbers introduced after February 1931, will be completed. In respect of numbers introduced since February 1931, the procedure in regard to allocation of exclusive rights will be the same as that previously followed, namely, that numbers will be accepted for entry in the Exclusive Register, which differ in any way

from numbers altered entered either in the Exclusive or Suspense Register. Numbers which correspond to numbers already registered will be rejected, since they must have been introduced on a date subsequent to the numbers already recorded. As regards any numbers which members wish to introduce between 31st October and 31st December 1932, particulars of such numbers should be forwarded to the Association as and when it is intended to use them so that claims to such numbers may be dealt with strictly in the order of priority.

I am accordingly sending you a blank form* in which particulars of numbers introduced by you during the period February 1931 to end of October 1932, may be furnished to me *on the completion of this month.*

Copy of Circular No. 2447/54 *of* 1932, *dated 22nd December* 1932, *to all Members of the Association.*

REGISTRATION OF TRADE NUMBERS.

The Association's Rules for the Registration of Trade Numbers come into force on 1st January 1933, and it may, therefore, be of considerable assistance to members to have an explanation of the main provisions of the Rules.

Rule 13 states that " a new number shall not be used by any member after the date on which these Rules shall come into force (1st January 1933), until he shall have obtained from the Secretary a certificate of registration under these Rules."

Rule 14 prescribes the manner in which an application for the registration of a number should be made. It should be signed by the principal officer of the member-company and forwarded to the Secretary of the Association together with a small sample of the cloth upon which the number is intended to be used. The application should also specify :—

(1) the number to be registered ;

(2) the class of cloth on which the number is intended to be used ;

(3) the dimensional particulars of the cloth on which the number is intended to be used ; and

(4) whether any, and if so, which portion of the number submitted for registration refers to the design, border or width of the cloth or indicates that it is bleached, dyed or calendered.

A separate application must be made for each class of cloth.

In this connection, it is important to remember that Rule 4 states that, where a portion of a number submitted for registration relates to the design, colour, or border of the cloth on which it is used, or indicates that the cloth on which it is used is dyed, bleached, calendered, etc., that portion of the number shall not be capable of registration, but will be recorded against the number in the exclusive register.

It may also be pointed out that no number can be accepted for registration if it is not a " number " as defined in Rule 2(*d*) of the Association's Rules for the Registration of Trade Numbers, that is, if the total number of digits in the number exceed the maxima prescribed in the Rules.

Method of examining applications and claims for the registration of numbers.—On receipt of an application for the registration of a number, a diligent search is made in the records of the Association with a view to ascertain whether the number in question is a colourable imitation of any number already allotted as exclusive to another member on the particular classification on which registration is desired, or of any number claimed by two or more mills in the same class, though such claims have not been adjudicated.

* Not printed.

Rule 16 provides a guide for such an examination, but it should be clearly understood that the maintenance of the differences set forth in Rule 16 will not necessarily result in a member obtaining a certificate of registration from the Association.

If the result of the search is satisfactory, a temporary certificate is issued to the member concerned in accordance with the provisions of Rule 18 (*a*), intimating that the number has been accepted by the Association as registrable under these Rules. The temporary certificate *does not entitle a member to use the number*, in fact it is only an evidence of the fact that the number in respect of which an application for registration has been made has passed the first test of registration. The number is then published along with other numbers in respect of which temporary certificates have been granted at the end of the week, and if no objection to its registration is received within 10 days—in the case of up-country members with no agents in Bombay, the time limit has been extended to 13 days—the number is registered, and a certificate of registration granted to the member concerned in exchange for the temporary certificate issued to him.

The above procedure is followed in the case of a number which passes all the tests.

It is open to the Secretary, subject, however, to appeal to the Trade Marks Sub-Committee, under the provisions of Rule 23, to reject an application for the registration of a number which would otherwise be capable of registration under these Rules if, in his opinion, it is likely to lead to deception in the market in regard to a number already registered. In such cases, notice of appeal to the Trade Marks Sub-Committee must be given within 14 days from the date of the Secretary's communication notifying the member of such rejection.

In the event of an objection being raised to the registration of any number by another member, the matter has to be settled between the parties direct in accordance with the Rules for Arbitration laid down in the Association's Rules for the Registration of Trade Marks, and until the Award of the Arbitrators or of the Umpire, as the case may be, is received, no action will be taken by the Association. In this connection it is very important to remember that the Trade Marks Sub-Committee of the Association or Arbitrators or Umpire, as the case may be, are not tied down to the standards set forth in Rule 16. They are entitled to take into consideration such other factors or possibilities directly bearing on the question as may appear to have been feasible, and also consider whether the number which forms the subject matter of appeal or arbitration is likely to become known by or acquire the same name or is likely to be passed off as another number already registered with the Association.

These are the main provisions in the Association's Rules for the Registration of Trade Numbers, but if there are any other points on which members would like to have further enlightenment, I shall only be too pleased if they will let me know.

Register of Exclusive Numbers.—I shall be sending you in the course of a few days a " List of Exclusive Numbers " *revised and adopted down to* 31*st December* 1932. The List includes numbers which have been claimed by only one mill in a particular classification and also numbers in respect of which agreements have been reached whereby more than one mill has been permitted to use the same number on a particular class of cloth, the actual dimensions, etc., of the cloth on which it is used widely varying from each other.

It should be pointed out in this connection that it may be necessary to amend the List from time to time for the reason that certain numbers which are at present in the Suspense Register as being claimed by more than one mill on the same class of cloth may have to be transferred to the List if a satisfactory settlement is reached between the mills concerned as regards their joint use. Such numbers and also numbers in respect of which certificates of registration are granted would be included in separate correction slips and issued regularly in future to members *who are requested to see that these corrections are duly posted in the List* of numbers, which I shall be sending them in a few days' time. On receipt of the exclusive List individual mills will be in a position to ascertain whether any of the numbers which they may be using at present have already been allotted as exclusive to other members. If there are such numbers, the Committee hope it will be possible for the members concerned to give up their use forthwith.

Fees for Registration.—Rule 21 empowers the Committee to prescribe such fees as they consider necessary for temporary certificates and certificates of registration. It is pointed out that no certificate of registration is necessary in respect of numbers introduced before 1st January 1933. As stated above, these numbers will be included in the " List of Exclusive Numbers," and the Committee have decided that this List should be made available to members at a charge of Rs. 10 per copy and Rs. 5 for every subsequent copy.

In respect of new numbers, the Committee have decided to levy a charge of 4 annas per number in respect of which a temporary certificate is granted ; such charge to be collected every three months. No further charge will be made when a certificate of registration is issued.

APPENDIX 2.

PROTECTION OF TRADE NUMBERS.

Copy of letter No. 2244/289, *dated 3rd October,* 1931, *from the Bombay Chamber of Commerce, to the Association.*

TRADE MARKS.

I am desired to invite you to nominate a small Sub-Committee of your Association to meet the Import Sub-Committee of the Chamber for the purpose of discussing the question of the infringement of trade marks, particularly quality numbers.

Will you kindly let me know in due course whether your Committee are agreeable to nominate such a Sub-Committee and if so suggest a date and time for the meeting.

Copy of letter No. 2697/238, *dated 5th October* 1931, *from the Association, to the Bombay Chamber of Commerce.*

Your letter No. 2244/289, dated 3rd October 1931, was placed before my Committee at their meetng held this afternoon, and a special Sub-Committee consisting of Messrs. T. V. Baddeley, Sir Munmohandas Ramji and S. D. Saklatvala were appointed for the purposes outlined in your letter. I shall let you know later what time and date will suit them for a meeting.

Copy of letter No. 2936/238, *dated 27th October* 1931, *from the Association, to the Bombay Chamber of Commerce.*

In confirmation of the telephone conversation to-day, my Sub-Committee consisting of Sir Munmohandas Ramji, Mr. S. D. Saklatvala and Mr. T. V. Baddeley will meet your Import Sub-Committee on Monday, the 16th November, at 5 p.m. (S.T.) Could you kindly let me have more detailed information as to the points which the Import Sub-Committee of the Chamber wish to discuss ?

Copy of letter No. 2481/289, *dated 28th October* 1931, *from the Bombay Chamber of Commerce, to the Association.*

REGISTRATION OF QUALITY NUMBERS.

In continuation of the correspondence resting with your letter No. 2936/238 of the 27th instant, I am desired to invite your Sub-Committee to meet a special Sub-Committee of the Chamber consisting of Messrs. W. Deacon, J. Bullock and T. M. Zouros at 5 p. m. on Monday, 16th November 1931, in these rooms for the purpose of discussing the possibility of coming to an amicable working arrangement for the control of trade marks (including quality numbers) of piecegoods.

Notes of the meeting held at the Bombay Chamber of Commerce on 16th November 1931.

TRADE MARKS AND TRADE NUMBERS.

At the invitation of the Bombay Chamber of Commerce, a special Sub-Committee of the Association met the Import Sub-Committee of the Bombay Chamber of Commerce in the rooms of the Chamber on the 16th November to discuss the possibilities of taking joint action to prevent the infringement of trade marks and trade numbers.

An interesting discussion took place during the course of which the desirability of protecting trade marks and trade numbers was generally admitted. Mr. S. D. Saklatvala stated that, in his opinion, the law gave adequate protection, but agreed that resort to the Courts to establish the right to a mark or number was an expensive and slow process, and he thought that the Millowners' Association would be prepared to support the establishment of a more expeditious process such as that suggested at the meeting. The Chamber representatives advocated the establishment of a Court of Reference somewhat on the lines of our piecegoods arbitration tribunal, with panels drawn from the Association and the Chamber. Disputes between members of the Chamber to be referred to a court composed of two representatives of the Chamber ; disputes between mills to be referred to a court composed of two representatives of the Association ; disputes between mills and importers to be referred to a court consisting of one member of the Chamber and one member of the Association, with an umpire or chairman selected alternately from amongst the representatives of the Chamber and the representatives of the Association. It was not proposed to give the court of reference final powers, and reference to the law courts would be available to parties subsequent to a hearing by the court.

Another suggestion put forward by the Secretary of the Association was that the members of the Chamber dealing in piecegoods and yarn should prepare a comprehensive list of trade numbers and registered trade marks similar to those of the Association, so that the Secretaries of the Association and the Chamber could readily ascertain whether new numbers and marks were likely to infringe on existing numbers and marks.

It was finally agreed that reports of the meeting should be placed before the General Committees of the Chamber and the Association, and that the initiative for further discussions should be with the Chamber of Commerce.—(Sd.) T. MALONEY.

Copy of letter No 129/289, *dated* 15*th January* 1932, *from the Bombay Chamber of Commerce to the Association.*

With reference to the meeting held on the 16th November last between the Sub-Committees of your Association and the Chamber in connection with trade marks and quality numbers used on locally manufactured and imported piecegoods, I am desired to forward herewith a draft which, it is suggested, might be used as a basis on which rules might be framed for the proposed Court of Reference for trade marks disputes.

Will you kindly refer the draft to the Sub-Committee of your Association and inform me if they have any comments to make thereon ?

COURT OF REFERENCE FOR TRADE MARKS DISPUTES.

1. Agreement between the Bombay Chamber of Commerce and Millowners' Association, and object of the proposal. (To be drafted.)

2. Applications to this Court would be made with the purpose of obtaining expert opinion only, and any opinion expressed by the Court would not prejudice the rights of the parties before a higher Tribunal.

3. For the purpose of these Rules the persons appointed by the Chamber and/or the Millowners' Association to express an opinion are called " Arbitrators."

4. Panels of arbitrators to be appointed by the Chamber and Millowners' Association.

5. The Court shall consist of two arbitrators, one to be chosen by the Chamber and the other by the Millowners' Association among those appearing on the respective lists. In the case of disagreement of opinion by the two arbitrators, an umpire will be appointed from these lists by the Chamber and the Millowners' Association alternately.

6. Applications to this Court may be made by the two disputing parties or either of them, whether they are members of the Chamber or the Millowners' Association or members of neither body.

7. The applicant parties may agree to abide by the opinion expressed by the arbitrators or they may only require such opinion for guidance. The arbitrators may express an opinion on the request of one party.

8. The arbitrators may call in evidence and also be at liberty whether expressly agreed to by the applicant party or parties or not, to seek the advice of the Chamber's solicitors, or any other advice other than Counsel's opinion. Should it be found necessary to seek Counsel's opinion, the arbitrators must obtain the permission of the applicant party or parties before doing so.

The cost of any evidence or advice obtained must be borne by the applicant party or parties.

9. The Secretaries of the Chamber and the Millowners' Association shall furnish all information at their disposal to the arbitrators.

10. *Scale of fees.*

These must be left to the discretion of the arbitrators, but in no case shall the fees be calculated at more than Rs. 30 per hour for each arbitrator or umpire. A minimum fee of Rs. 30 to be charged by each arbitrator or umpire.

Additional fee to be charged by the Chamber and the Millowners' Association of Rs. for each arbitration. This amount to be divided equally between the two bodies.

Copy of letter No. 158/39, *dated* 18*th January* 1932, *from the Association to the Bombay Chamber of Commerce.*

I am in receipt of your letter 129/289, dated the 15th January, and after obtaining the views of my Committee, will write to you further in the matter.

Copy of letter No. 386/39, *dated* 16*th February* 1932, *from the Association to the Bombay Chamber of Commerce.*

Reference your letter 129/289, dated 15th January 1932, I have now had an opportunity of consulting my Committee with reference to the proposals put forward by the Import Sub-Committee of the Chamber for the establishment of a Court of Reference to deal with Trade Mark disputes.

My Committee in the first place desire me to point out that when the two Sub-Committees met in November last, the proposition put forward was somewhat different than that now referred to them for consideration inasmuch as the Court was to take cognisance of disputes regarding Trade Numbers only, and I am to suggest that disputes in regard to trade marks should not come within the purview of the Court of Reference, since the Association's rules for the registration of trade marks, and the Trade Marks Acts of the various countries from which piecegoods are imported, amply protect trade marks on local and imported goods against infringement.

As regards trade numbers, the position is somewhat different, and my Committee are inclined to think that a Court of Reference such as proposed might serve a useful purpose provided its establishment was preceded by the compilation of a more or less complete record of the numbers used on the various classes of imported and locally-made piecegoods. Steps have already been taken to compile such a register for the local industry, and my Committee consider that importers should adopt a similar procedure. After such a step has been taken, the need for a Court of Reference might be further explored.

Copy of letter No. 603'289, *dated 1st March* 1932, *from the Bombay Chamber of Commerce to the Association.*

PIECEGOODS TRADE MARKS AND NUMBERS.

I am directed to acknowledge receipt of your letter No. 386 39 of 16th ultimo and to say that the Special Sub-Committee of the Chamber would be glad to have the opportunity of discussing the matter further with the representatives of your Association. I am to enquire whether they are agreeable to this proposal and if so, what date and time would be convenient for a meeting.

Copy of letter No. 604/39, *dated 16th March* 1932, *from the Association to the Bombay Chamber of Commerce.*

PIECEGOODS TRADE MARKS AND NUMBERS.

I am directed to acknowledge receipt of your letter No. 603/289, dated 1st March, and in reply to inform you that the Special Sub-Committee of the Association do not think it would be advisable to discuss the subject further until such time as the Association's register of trade numbers, which is at present under compilation, is complete.

When the Association's Register has been completed, I will communicate with you again on the subject.

APPENDIX 3.

MUNICIPAL ASSESSMENT OF BOMBAY COTTON MILLS.

Copy of letter No. 766/29, *dated 18th April* 1932, *from the Association to All Mills in Bombay City and Island.*

Subject :—MUNICIPAL ASSESSMENT OF MILLS.

I enclose herewith for your information two copies of the joint award made by Mr. B. J. Desai, acting on behalf of mills, and Sir Jamshedji Kanga, acting on behalf of the Municipality, on the question of Municipal Assessment of Bombay mills. It should not be difficult for mills to apply the award in practice to individual cases.

I shall be glad if you will kindly pass on one copy of the enclosure to your Mill Engineer, and ask him to work out the exact assessment in your case. If there is any difficulty in this matter, he may kindly be asked to call and see me.

As the Arbitrators have made a unanimous award, *it is final and non-appealable.*

The award takes effect from the year 1929-30, and refunds due to mills on account of excess tax paid under protest up-to-date, will be made by the Municipal Commissioner in due course.

AWARD.

Re : MILL ASSESSMENT APPEALS.

Whereas by an Agreement between the Bombay Municipality and the Mills shown in the Schedules Nos. 1, 2, 3 and 4 hereto annexed a Formula for ascertaining the rateable value was agreed upon And Whereas it was referred to Mr. Kanga and Mr. Gilbert-Lodge to determine a sum and/or percentage (as the case may be) on the several heads contained in the said Agreement, a copy whereof is hereto annexed and marked No. 5 And Whereas the said Mr. Kanga and the said Mr. Gilbert-Lodge failed to agree on any point in terms of the said Formula And Whereas in terms of the said Agreement and Formula Messrs. Craigie Blunt and Caroe as representing the mills mentioned in the Schedules Nos. 1, 2, 3 and 4 and Messrs. Crawford Bayley and Co. as representing the Municipal Commissioner for the City of Bombay appointed us as Arbitrators to determine all points in the said Formula And Whereas before entering upon the Reference we appointed Dewan Bahadur Krishnalal Mohanlal Jhaveri as the Umpire And Whereas at the recording of the evidence and the hearing of the parties the said Umpire was by consent of the parties present throughout the proceedings And Whereas with the consent of the parties we deliberated with him on points of possible difference between us And Whereas after recording evidence and hearing the parties We hereby determine and award as follows :—

Item No. 1.—That for the purpose of this rating the value of the land shall be taken at Rs. 10, Rs. 8, Rs. 5 and Rs. 4 respectively as regards the mills mentioned in the said Schedules hereto annexed and respectively marked Nos. 1, 2, 3 and 4.

Item No. 2.—That the cost new of the buildings and other improvements on the land of the said respective mills shall be taken at Re. 0-4-6 per cubic foot. The measurements to be taken on the following basis :—

In the case of a gable or pitch roof, the height is to be taken from the ground up to the mean height of the roof. In the case of a flat roof or terrace where there is a parapet, the height is to be taken up to half the height of the parapet wall.

In the case of north light roofs the height should be taken from the ground level to the top of the tie-beam and there is to be added to it one-third of the height from the top of the tie-beam to the top of the roof at the ridge level.

The measurements are to be taken of all structures from each of the outer sides of the walls.

Chimneys, reservoirs, compound walls, tanks, roads, drains, hydrants and electric fittings are not to be taken into the measurements and for which nothing extra is to be charged.

As regards discounting on account of age and condition of the buildings, allowances on the following scale are to be made :—

On all buildings built prior to 1890 and earlier ..	33⅓% on the said cost.
On all buildings built from 1890 to 1900 ..	20%
On all buildings built from 1901 to 1910 ..	15%
On all buildings built from 1911 to 1920 ..	8%
On all buildings built from 1920 to 1925 ..	4%
On all buildings built from 1925 onwards ..	no allowance.

If structures such as chimneys, tanks, engine houses, boiler houses, etc., have fallen into entire disuse, no charge shall be made in respect thereof.

Item No. 3.—There shall be taken Rs. 5 for land and Rs. 6 for buildings as the respective percentages of return exclusive of all outgoings and taxes in respect of all mills.

Item No. 4.—That the outgoings to be added to the amounts arrived at in item 3 are the following :—

Municipal taxes (exclusive of water tax)—14½ per cent. on the net return as fixed in item No. 3.

(Water tax to be paid for separately by meter.)

Repairs.—1 per cent. on the cost new as fixed in item No. 2 and no further allowance for sinking fund should be made.

Insurance charges at 2/16 per cent. on the cost new after depreciation as fixed in item No. 2.

From this should be deducted the statutory allowance of 10 per cent. to arrive at the net rateable value.

Item No. 5.—The net rateable value as fixed on the above basis is taken for a normal year. We award a discount of 20 per cent. for the year 1929-30 on account of the condition of the textile industry during the said year. It was further agreed by the parties before us that the discount referred to in item No. 5 will be taken at 20 per cent for the year 1930-31 and 15 per cent. for the year 1931-32, all which we determine and award.

Dated this 14th day of April 1932.

(Sd.) J. B. KANGA.
(Sd.) BHULABHAI J. DESAI.

SCHEDULE No. 1—Land at Rs. 10 per sq. yard.

No.	*Locality.*	*Name of the Mill.*
1.	Colaba	Colaba Land and Mill Co. (Old Mill.)
2.	Do.	Do. (New Mill.)
3.	Charni Road	Swadeshi Mills.
4.	Tardeo Road	Maneckji Petit Mills.
5.	Do.	Do. Bleach House.
6.	Do.	R. B. Motilal Mills.
7.	Do.	Jivraj Baloo Mills.
8.	Do.	Prabhat Mills.
9.	Gamdevi Road	Victoria Mills.

SCHEDULE No. 2—Land at Rs. 8 per sq. yard.

No.	*Locality.*	*Name of the Mill.*
1.	Foras Road	Madhavji Dharamsi Mills.
2.	Reay Road	Atlas Mills.
3.	Haines Road, Byculla	Khatau Makanji Mills.
4.	Parel Road, Byculla	New Great Eastern Mills.
5.	Do. Lalbaug	Dinshaw Petit Mills.
6.	Do. Soparibaug	Morarji Goculdas Mills.
7.	Do. do.	Jacob Sassoon Mills.
8.	Ripon Road	Indian Manufacturing Mills.
9.	Do.	Hindustan Mills.
10.	Do.	Bradbury Mills.
11.	Chinchpookli Road	New City of Bombay Mills.
12.	Do.	Rachel Sassoon Mills.
13.	Do.	E. D. Sassoon and Alexandra Mills.

No.	*Locality.*	*Name of the Mill.*
14.	Chinchpookli Road	Bombay Cotton Mills.
15.	Do.	Manchester Mills.
16.	Kalachowki Road	Western India Mills.
17.	Ghorupdeo Road	New Kaiser-I-Hind Mills.
18.	Do.	Sassoon Spinning and Weaving Mills.
19.	Clerk Road	Simplex Mills.
20.	Do.	Bomanji Petit Mills.
21.	Dadar Road	Tata Mills.
22.	Do.	Gold Mohur Mills.
23.	Vincent Road	Kohinoor Mills.
24.	Soparibaug Road (Passage)	Jam Mills No. 1.
25.	Reay Road (Passage)	Framji Petit Mills.

SCHEDULE No. 3.—Land at Rs. 5 per sq. yard.

No.	*Locality.*	*Name of the Mill.*
1.	Haines Road	Imperial Mills.
2.	Elphinstone Road	Elphinstone Mills.
3.	Carrol Road	David Mills.
4.	Fergusson Road	Crescent Mills.
5.	Do.	Edward Sassoon Mills.
6.	Do.	Pralhad Mills.
7.	Do.	Jamshed Mills.
8.	Do.	Dawn Mills.
9.	Sun Mill Road	Madhorao Scindia Mills.
10.	Delisle Road	Union Mills.
11.	Do.	Mathradas Mills.
12.	Do.	Apollo Mills (1, 2 and 3).
13.	Do.	Toyo Podar Mills.
14.	Do.	Century Mills.
15.	Do.	Textile Mills.
16.	Do.	Satya Mills.
17.	Dadar Road (Passage)	Kasturchand Mills.
18.	New Parbhadevi Road	Crown Mills.
19.	Do.	Indian Bleaching and Dyeing Mills.
20.	Delisle Road	Sir Shapurji Broacha Mills, Ltd.—Connaught Mills.
21.	Victoria Road	Sassoon and Alliance Silk Mills.
22.	Haines Road	Indian Woollen Mills.

SCHEDULE No. 4—Land at Rs. 4 per sq. yard.

No.	*Locality.*	*Name of the Mill.*
1.	Tulsi Pipe Road (Passage)	Meyer Sassoon Mills.
2.	Do.	Assur Virji Mills.
3.	Do.	Phœnix Mills.
4.	Do.	Pearl Mills.
5.	Do.	Ebrahim Pabaney Mills.
6.	Do.	Fazulbhoy Mills.
7.	Do.	Premier Mills.
8.	Do.	Currimbhoy and Mahomedbhai Mills.
9.	Do.	Bombay Industrial Mills.
10.	Do.	Raghuvanshi Mills.

No.	*Locality.*	*Name of the Mill.*
11.	Tulsi Pipe Road (Passage)	Empire Dyeing Mills.
12.	Do.	Mysore Spinning and Weaving Mills (No. 2).
13.	Sewri New Road	Swan Mills.
14.	Do.	Moon Mills.
15.	Do.	Jubilee Mills.
16.	Do.	Jam Mills No. 2.
17.	Do.	Sewri Cotton Mills.
18.	Naigaum Road (Passage)	Spring Mills.
19.	Parel Govt. House Gate Road (Passage) ..	Finlay Mills.
20.	Parbhadevi Road (Passage)	Standard Mills.
21.	Do.	Bombay Dyeing and Mfg. Mills.
22.	Lady Jamshedji Road (Passage)	Ruby Mills.
23.	Cadell Road (Passage)	Turkey Red Dye Works.
24.	Dadar	Bombay Woollen Mills.
25.	Do.	Bombay Woollen Godowns.
26.	New Sewri Road	New China Mills.

SCHEDULE NO. 5.

Formula for ascertaining the rateable value of the Mills.

ASCERTAIN :

1. The value of land :—

Note.—For this purpose the Mills can be divided into three or four groups and the value per square yard can either be agreed or easily ascertained.

2. Cost new of the buildings and other improvements on the land.

Note.—This cost will have to be discounted on account of age and condition of the buildings and in ascertaining this cost an allowance shall be made in respect of such structures (such as chimneys, tanks, engine houses, boiler houses, etc.) which have fallen into entire disuse. In respect of such structures no refund of any tax shall be claimable.

3. A percentage of return.

Note.—This item will be taken as a net item exclusive of all outgoings and taxes which are paid by the landlord.

In fixing the percentage of return regard must be had to the fitness and adaptability and efficiency for user as mill premises.

For this purpose mills can be divided into three groups the central group being taken as of standard adaptability.

4. To get gross rents add outgoings before referred to and from the total deduct statutory allowance of 10 per cent. to get net rateable value.

5. The net rateable value as fixed on the above basis is taken for a normal year and has to be discounted or appreciated on account of the condition of the textile industry.

On the above being agreed Mr. Kanga, the Municipal Engineer, and Mr. Gilbert-Lodge should proceed to endeavour to arrive at an agreed sum or percentage as the case may be on all these heads and where they agree their decision will be accepted as binding on the appel-

lants and the respondents. In the event of their disagreeing on any point, that point will be referred to the arbitration of a person or persons to be mutually agreed between Messrs. Craigie Blunt and Caroe and Messrs. Crawford Bayley and Co.

Copy of letter No. 1956/29, *dated* 12*th October* 1932, *from the Association to All Mills in Bombay City and Island.*

Re : MUNICIPAL ASSESSMENT.

On the 18th April, I forwarded you two copies of the award on the question of Municipal assessment of Bombay mills. The award related to a period of three years ending with 31st March 1932. In view, however, of the considerable practical difficulties in the way of contesting the assessments for the current year, the Chairman of the Association with the approval of the Committee agreed with the Municipal Commissioner that the award might be extended for another year provided the same allowance for trade depression was given for the current year as for the preceding year, namely, 15 per cent. The Municipal Commissioner has now agreed to this allowance of 15 per cent., and the Committee accordingly recommend members of the Association to agree to the extension of the award for the current year's assessment. The position will have to be reviewed at the end of the year, and a decision taken as to whether the Association on behalf of mills, or individual mills acting on their own initiative, shall appeal against the assessments entered in the Ward Assessment Books for the year 1933-34.

We are in communication with the Municipal Commissioner in regard to the question of refunds on payments already made for the years 1929-30, 1930-31 and 1931-32.

Copy of D. O. letter No. 164, *dated* 8*th November* 1932, *from the Municipal Commissioner, Bombay Municipality, to the Chairman of the Association.*

I shall be glad if the decision of the mills which have not yet accepted the Award for the current year, could be communicated to me at a very early date. Personally, I should greatly desire that after all that we have been through during the last three years, the Award should be accepted for the current year, leaving any points that may be outstanding, to be settled in time for the next year's assessment. But if unfortunately the dissenting mills do not agree to this, and prefer to appeal against the assessment, it is desirable that we should issue bills for the current year at once, so that the mills may be enabled to go up in appeal. I need hardly say that before any appeal to the Small Causes Court under Sec. 217 of the Municipal Act can lie, the amount of the tax claimed would have to be deposited with the Municipality.

Copy of letter No. 2202/29, *dated* 17*th November* 1932, *from the Association to the Municipal Commissioner, Bombay Municipality.*

ASSESSMENT OF MILLS—EXTENSION OF THE AWARD TO 1932-33 WITH 15 PER CENT. ALLOWANCE FOR TRADE DEPRESSION.

Would you please refer to your D. O. letter No. 164, dated the 8th inst., to Mr. Mody ?

I have now received replies from all member mills and one or two mills which are not members, regarding their attitude towards the assessment for the year 1932-33. The position as I see it is as follows :—

Only one mill in Bombay, i.e., the Tata Mills, Ltd., have definitely refused to accept an assessment based on the award with an allowance of 15 per cent. for trade depression for the current year.

I have not yet received letters as to their attitude from (i) The Assur Veerjee Mills ; (ii) *The Dinshaw Petit Mills ; (iii) *The Bomanji Petit Mills ; (iv) The Atlas Mills ; (v) The Ruby Mills and (vi) The Choi Silk Mills. The first four are in liquidation and the last two are not members.

In respect of the other mills, who may be taken to have accepted the award for 1932-33, a number of objections have been raised, but I do not think that these stand in the way of your billing them for the current year according to the statement which accompanied the Assessor and Collector's letter dated the 8th November, provided of course, they have been correctly worked out, as long as it is understood that the Association or individual mills are assured that due consideration would be given to these objections when the assessment for 1933-34 comes up for discussion. The idea, which my Committee had in mind, in recommending members to accept the award for 1932-33 was that with the current year's assessment out of the way, it should be possible in the year 1933-34 to come to some arrangement with the Municipality, either on the basis of the award or some other basis, which would be more equitable than the present award in many respects, notably, in the matter of value of land, assessment of vacant lands, assessment of temporary structures, the inclusion of latrine accommodation, dust chimneys, etc., in the cubical contents of mills, and the respective percentages of return on land and buildings. Subject to your assuring the Association that acceptance of assessments for 1932-33 on the basis arranged will not in any way prevent an unprejudiced consideration of the objections of the type mentioned above if and when raised in respect of assessments for 1933-34, I shall be pleased to send out letters to all mills asking them to pay up any amount which may be due by them in respect of assessment for the four years ending 31st March 1933 as and when bills are presented.

Copy of letter No. A. & C. I. R. 5, dated the 22nd November 1932, from the Municipal Commissioner, Bombay Municipality, to the Association.

I have the honour to acknowledge the receipt of your letter No. 2202/29, dated 17th November 1932, regarding the assessment of mills for the current year.

I greatly appreciate the attitude of the Committee in the matter ; and thank them for it. It is, of course, understood that the acceptance of the assessments for the current year on the basis of the Award will not in any way prevent an unprejudiced consideration of the objections which may be urged by the mills in respect of the assessment for the next year 1933-34.

I shall now be glad if you ask your constituents to pay up the amounts due from them for the current year on the presentation of the bills which are being issued.

APPENDIX 4.

WATER-TAX.

Copy of letter No. 2218/100, dated 19th November 1932, from the Association to the Standing Committee of the Municipal Corporation, Bombay.

I am directed to refer to the Municipal Budget Estimates for the year 1933-34 and to draw the special attention of the Standing Committee to the inequity of the Municipal Commissioner's proposal to raise the water-tax with a view to partly cover a deficit in general revenues.

The Municipal Commissioner states, in his Notes on the Estimates, that the estimated revenue and expenditure for the ensuing year will leave a deficit of Rs. 12,68,000 which he proposes to meet partly by raising the water-tax on the basis of valuation and by increasing

* The Liquidator of these two mills has since accepted the award for the year 1932-33.

it from 10 to 11 as. in the case of the group paying at the rate of 10 as. and partly by other means. The deficit under water-works next year is estimated to amount to Rs. 3,28,000 while the yield from the higher water-rates will be Rs. 2,95,000 thus leaving unbridged a small gap of Rs. 33,000 between income and expenditure. It is further stated that there has been an aggregate deficit of Rs. 11,33,000 during the last five years under water-works and that it is no longer justifiable to allow the deficit in water-revenue to continue. My Committee agree that this salutary principle should in general govern public expenditure by local authorities, but they would like to point out in this connection that there was a large surplus of Rs. 36,42,000 under this head for the years 1922-23 to 1926-27 and that the deficit which has accumulated during the last five years should, in equity, be set off against the heavy surplus balance of the earlier years. My Committee feel strongly that the Municipal Commissioner has no justification, under these circumstances, for his proposal to increase the water-rate.

The proposal is, moreover, unfair in its application and incidence in so far as it seeks to single out a particular class of consumers paying by measurement and will impose a heavier burden of taxation on cotton mills as compared with other consumers in that group. Taking the figures of consumption of water for the year 1930-31 the cotton mills in Bombay consumed 1,221 million gallons out of a total of 30,000 million gallons brought into the city and paid Rs. 7,65,000 by way of tax as against a total revenue of Rs. 64,76,000 from the water-tax. In other words, mills consumed only 1/25th of the total quantity of water brought into Bombay, but paid 1/9th of the total revenue realised from the tax. The injustice of the charge by measurement will be still more evident when the cost per gallon to the Municipality is compared with the rate charged by the Municipality to mills. The total cost of bringing 30,000 million gallons into the City during the year 1930-31 was Rs. 68,76,000 or about $3\frac{1}{2}$ as. per 1,000 gallons, whereas the rate charged to mills was 10 as. per 1,000 gallons. This difference, my Committee submit, is against the spirit of Section 140 (*a*) of the Act which lays down that the water-rate should be one which would be deemed to be reasonable with reference to the expenses of providing a water-supply.

The estimate of water-works revenue for 1933-34 given in Appendix IV to the Estimates shows the revenue expectations from different consumers—both on rateable value and by measurement. The revenue from consumers in the group paying at 10 as. per 1,000 gallons is estimated to be Rs. 19,57,000 for the year 1933-34 of which no less than Rs. 9,40,410 or nearly 50 per cent. will be paid by the mills. It would, therefore, be correct to say that of the budgeted increase of Rs. 98,000 arising from the increase of one anna per 1,000 gallons which it is proposed consumers in this group should pay, the mills will have to pay very nearly half the amount. This only shows how disproportionate the amount of water-tax payable by mills under the proposal will be to the amount which other consumers in the group—by no means all private consumers—will be paying.

It would, therefore, appear that bulk consumers instead of having to pay a lower rate, as is the practice in England and other European countries, are penalised into paying a higher rate for the benefit of the small consumer. The practice followed by the electric power supply and fuel oil companies in the matter of rates to large consumers like mills and factories in Bombay may be cited in support of the contention that it is but fair and equitable that bulk consumers should be charged lower rates than small consumers.

There is another consideration which my Committee would like to advance with regard to the proposed increase in the water-rate by measurement. They maintain that the charge for water should correspond very closely to the charge on the basis of valuation. Applying this criterion to the present case the charge for water on the rateable value of mill properties in Bombay, taking the recent valuation of about Rs. 90 lakhs as the basis (without deducting the trade depression allowance of 15 per cent. for the current year) would only come to Rs. 3,60,000 even at the higher rate of 4 per cent. which the Municipal Commissioner recommends in his Budget proposals. Whereas the estimated revenue from mills on the basis of measurement is Rs. 9,40,000 plus an additional sum of Rs. 48,000 being the mills' share of the budgetted increase of Rs. 98,000 from the higher water-rate proposed for Group II of the groups paying water-tax by measurement. The mills will thus be paying Rs. 10 lakhs as water-tax in 1933-34—an amount which is far in excess of what they would have to

pay on a valuation basis. They are thus mulcted into paying considerably more per gallon than the private consumer on the basis of valuation who obtains his supply at or below the cost per gallon incurred by the Municipality on water-works.

My Committee would like to refer to the following remarks made by the Municipal Commissioner in his Note on the Estimates :—

> " To leave this deficit uncovered seems indefensible. But the alternative to meeting this amount from balances is more taxation ; and in making a choice between the two, we cannot ignore the economic condition of the City at the present day, and the inexpediency of placing additional burden of taxation on it. The very substantial measure of protection recently extended to the City's premier industry, viz., the mill industry, has not succeeded so far in bringing prosperity to that industry."

In view of this expression of opinion on the condition of the local textile industry it is surprising that the Municipal Commissioner should have come forward with a proposal to increase the water-rate by measurement for a particular class of tenements since the major portion of the impost would fall on cotton mills.

My Committee are emphatically of the opinion, for the reasons stated above, that no case has been made out for the proposed increase in water-rate by measurement for a single group of tenements only. The proposal to increase the water-rate on valuation by ¼ per cent. is estimated to bring in Rs. 1,97,000 which will go towards a substantial reduction of the deficit of Rs. 3,28,000 under this head in the ensuing year. The remaining deficit could, it is suggested, be met by drawing on the balances—an alternative which the Municipal Commissioner has not overlooked as one capable of adoption. My Committee feel sure that the Commissioner would be amply justified in following this expedient, especially when regard is had to the fact that large surpluses were earned in the years prior to 1926-27, from water-works revenue.

APPENDIX 5.

MUNICIPAL WATER CHARGES—WATER USED FOR BUILDING PURPOSES.

Copy of letter No. 201/62, dated 22nd January 1932, from the Association to the Municipal Commissioner for the City of Bombay.

May I refer you to the correspondence* which has taken place between Messrs. Harischandra Jaganath & Son, and the Hydraulic Engineer of the Municipality regarding water-charge bill G. 14023—Crown Mills—for the half-year ending 30th September 1931. It appears that certain alterations or extensions involving building operations took place at the Crown Mills during July, August and September, and that Messrs. Harischandra Jaganath were the contractors for that work. No separate meter connection was given while the work was in progress, and I understand that it is not the general rule to insist on it.

The total consumption of water during the half-year was 3,016,000 gallons of which 967,000 were used by the mill before the building work was taken in hand. This was charged for at 10 annas per 1,000 gallons, and the remainder, i.e., the water used for *ordinary mill purposes* and the water used for building purposes was charged for at 14 annas per 1,000 gallons. I am aware that it is within the discretion of the Hydraulic Engineer to do this under Water Charges Rule I, (c) (3), but submit that such a charge is manifestly unfair, and that the correct procedure would have been to charge 14 annas per 1,000 gallons on the approximate quantity of water consumed for building purposes. This could easily have been ascertained by ascertaining the difference in consumption in 1930 and 1931.

* Not printed.

On this basis, in 1931, 2,724,000 gallons would have been charged for at 10 annas per 1,000 gallons, and 292,000 gallons at the 14-anna rate. This would have meant that the water charge for April/September 1931 would have been Rs. 1,957 instead of Rs. 2,397-4-0.

In other words, the mills have been overcharged by approximately Rs. 642, almost the whole of which has apparently had to be borne by the contractor whose contract price for the alteration on which he was working amounted to Rs. 7,718 only.

The unfairness of Water Charge Rule I (*c*) (3) will be apparent to you from the above statement, and I am to suggest that a fairer charge should be made, and early steps taken to revise the water charge rules under which the excessive imposition has been made.

Copy of letter No. 217/62, *dated 25th January* 1932, *from the Association to the Municipal Commissioner for the City of Bombay.*

In my letter No. 201/62 dated the 22nd January, I brought to your notice a case in which, owing to the fact that certain small building alterations were being carried out, a mill had been charged for a period of three months at the rate of 14 annas per 1,000 gallons on the whole of its consumption of water. I have now received information that the same mill contemplate the erection of a new Oil Godown and Smith Shop, the cost of erecting which will be Rs. 3,000 only. The mill had applied to the Hydraulic Engineer for a temporary metered connection for this work. In reply, they have been informed that the connection will be given, but that during the progress of building operations, the rate of 14 annas per 1,000 gallons would be charged on the whole of the water consumed by the mill.

I think you will agree that such a procedure is wholly unfair. In reality, it means that, if at any time, a small building work is going on in a mill—and in large concerns like the cotton mills of Bombay some sort of building work is almost always going on—the mill would be charged 40 per cent. more than the ordinary rate. Such a procedure is, I admit, possible under the Water Charges Rules framed by the Standing Committee of the Corporation, and I beg to suggest that, in view of the unfairness of the procedure, some modification of Rule I (*c*) (3) should be immediately introduced which would be more equitable in its effect than the present procedure.

Copy of letter No. 31, *dated 2nd February* 1932, *from the Deputy Municipal Commissioner, Bombay, to the Association.*

Subject:—RE. WATER CHARGES BILL NO. G/14023 FOR RS. 2,397-4-0 FOR THE HALF-YEAR ENDING 30-9-1931 IN RESPECT OF THE CROWN SPG. & MFG. CO., LD.

With reference to your letter No. 201/62 of 22-1-1932, I have the honour to inform you that the bill referred to has been correctly preferred according to the Water Charges Rules in force but the Hydraulic Engineer having referred the case to me on a similar representation being received from the Contractors and taking into consideration the nature of the building work done, orders have been passed to the effect that the whole consumption of water registered by the meter may be charged at the rate of As. 10 per 1,000 gallons to the Mill Agents and the Contractors be charged for water used for building purposes on the basis of the cubic contents of the building work actually done as per scale of charges laid down by the Corporation under their Resolution No. 2973 of 2-7-1920 and accordingly the Assessor and Collector of Municipal Taxes has been advised by the Hydraulic Engineer to amend the abovementioned bill by charging the whole consumption, viz., 3,016,000 gallons at the rate of As. 10 per 1,000 gallons.

The amended bill for Rs. 1,885 will be presented to the Agents of the Crown Spg. & Mfg. Co., Ltd., for payment in due course and the charges for water used by the Contractors for building purposes will be recovered from them by the Hydraulic Engineer.

Copy of letter No. 288/62, *dated 3rd February* 1932, *from the Association to the Deputy Municipal Commissioner, Bombay.*

Subject:—WATER CHARGES BILL NO. G/14023 FOR RS. 2,397-4-0 FOR THE HALF-YEAR ENDING 30-9-1931 IN RESPECT OF THE CROWN SPINNING AND MANUFACTURING CO., LTD.

I write to acknowledge and thank you for your letter 31, dated 2nd February. The arrangement now arrived at appears to be quite satisfactory.

APPENDIX 6.

POWER COSTS—CASH DISCOUNT.

Copy of letter No. B.H. 324/32, *dated 25th October* 1932, *from the Tata Hydro-Electric Agencies, Ltd., Bombay, to the Association.*

SUPPLY OF POWER : CONSUMPTION BILLS.

We are pleased to advise that the three Hydro-Electric Companies have decided that with effectfrom 1st January 1933, a cash discount of 1 per cent. shall be given on all bills paid within ten days of the date of rendering, to those consumers who are taking supply from our Companies on T-1 Tariff. To those consumers who are taking supply under more than one contract, this concession will naturally apply only in respect of such supply as is taken under T-1 Tariff.

We shall thank you to circulate this information to your members at your earliest convenience.

Copy of letter No. 2055/194, *dated 25th October* 1932, *from the Association to the Tata Hydro-Electric Agencies, Ltd., Bombay.*

SUPPLY OF POWER : CONSUMPTION BILLS.

I am in receipt of your letter No. BH324/32, dated 25th October, the contents of which will be communicated to all mills in Bombay.

Copy of letter No. 2048/194, *dated 25th October* 1932, *from the Association to all Bombay Member Mills.*

I am directed to enclose a copy of a letter received from the Tata Hydro-Electric Agencies, Ltd., intimating that from the 1st January 1933, a cash discount of 1 per cent. will be given on all bills paid within ten days.

Copy of letter No. 94/194, *dated 14th January* 1933, *from the Association to the Tata Hydro-Electric Agencies, Ltd., Bombay.*

I beg to invite your attention to your letter No. BH324/32, dated the 25th October 1932, and to request that I may kindly be informed, as early as possible, whether the special cash discount of 1 per cent. notified by you with effect from 1st January 1933, is applicable to bills presented on 1st January and later, or whether it relates to bills payable in respect of energy consumed from 1st January 1933.

Copy of letter No. 74/33, dated 14th January 1933, from the Tata Hydro-Electric Agencies, Ltd., Bombay, to the Association.

SUPPLY OF POWER: CONSUMPTION BILLS.

We beg to acknowledge receipt of your letter No. 94/194 of the 14th January.

The special cash discount of 1 per cent. notified by us in October last is applicable to bills payable in respect of energy consumed from the 1st of January 1933, and not for bills presented in the month of January for consumption during December last.

APPENDIX 7.

DUTY ON CONSUMPTION OF ELECTRICAL ENERGY IN THE PRESIDENCY OF BOMBAY.

BOMBAY ACT NO. II OF 1932.

An Act to provide for the levy of a duty on consumption of electrical energy for the purpose of lights and fans in the Presidency of Bombay and to amend the Court-fees Act, 1870, and the Indian Stamp Act, 1899, in their application to the said Presidency.

WHEREAS it is expedient to provide for the levy of a duty on consumption of electrical energy for the purpose of lights and fans in the Presidency of Bombay and to amend the Court-fees Act, 1870, and the Indian Stamp Act, 1899, in their application to the said Presidency for the purposes hereinafter appearing; and whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act and the previous sanction of the Governor required by section 80C of the said Act have been obtained for the passing of this Act; It is hereby enacted as follows:—

PART I.—*Preliminary.*

1. *Short title.*—This Act may be called the Bombay Finance Act, 1932.

2. *Extent and commencement and duration.*—(1) Except where it is otherwise provided in this Act, this Act extends to the whole of the Presidency of Bombay.

(2) It shall come into force on the 1st day of April 1932.

(3) This section and sections 3 to 15 containing Parts II, III and IV shall remain in operation for one year from the date on which this Act comes into force.

PART II.—*Electricity Duty.*

3. *Extent of Part II.*—This Part extends to the whole of the Presidency of Bombay except Aden.

4. *Definitions.*—In this Part, unless there is anything repugnant in the subject or context,

(*a*) "consumer" means any person who is supplied with energy by a licensee;

(*b*) "energy" means electrical energy when generated, transmitted, supplied or used for any purpose except the transmission of a message;

(*c*) "licensee" means any person licensed under Part II of the Indian Electricity Act, 1910, to supply energy and includes any person who has obtained the sanction of the Local Government under section 28 of that Act;

(*d*) " prescribed " means prescribed by rules made under this Part.

5. *Duty on units of energy consumed.*—There shall be levied and paid to the Government of Bombay, on the units of energy consumed for the purpose of lights and fans excluding losses of energy in transmission and transformation, a duty (hereinafter referred to as " electricity duty ") at the rates specified in the first schedule to this Part :

Provided that electricity duty shall not be leviable on the units of energy consumed by Government or by or in respect of any local authority, railway administration, tramway company, industrial undertaking, institution or class of persons specified in the second schedule to this Part, except to the extent specified therein.

6. *Payment of electricity duty.*—(1) Every licensee shall collect and pay to the Government, at the time and in the manner prescribed, the proper electricity duty payable under this Part on the units of energy supplied by him to consumers. The duty so payable shall be a first charge on the amount recoverable by the licensee for the energy supplied by him and shall be a debt due by him to the Government :

Provided that where the licensee has been unable to recover his dues for the energy supplied by him, he shall not be liable to pay the duty in respect of the energy so supplied.

(2) Where any person fails or neglects to pay, at the time and in the manner prescribed, the amount of electricity duty due from him, the licensee may, without prejudice to the right of Government to recover the amount under section 9, and after giving not less than seven clear days' notice in writing to such person, cut off the supply of energy to such person ; and he may, for that purpose, exercise the power conferred on a licensee by sub-section (1) of section 24 of the Indian Electricity Act, 1910, for recovery of any charge or sum due in respect of energy supplied by him.

(3) The licensee shall be entitled, for his cost of collection of the duty, to a rebate of such percentage as may be determined by the Government on the amount of the duty collected and paid by him under sub-section (1).

7. *Licensee to keep books of account and submit returns.*—Every licensee shall, unless he is exempt from payment of electricity duty under the proviso to section 5, keep books of account in the prescribed form and submit to the Government or to the prescribed officer returns in such form and at such times as may be prescribed, showing the units of energy supplied by him to each consumer or consumed by him as the case may be, and the amount of the duty payable thereon and recovered or paid by him under section 6.

8. *Inspecting Officers.*—The Government may, by notification in the *Bombay Government Gazette*, appoint inspecting officers to inspect the prescribed books of accounts of licensees. Such officers shall perform such duties and exercise such powers as may be prescribed for the purpose of carrying into effect the provisions of this Part and the rules made thereunder.

9. *Recoveries.*—Any sum due on account of electricity duty, if not paid at the time and in the manner prescribed, shall be recoverable, at the discretion of Government, either from the consumer, or, subject to the proviso to section 6 (1), from the licensee, and either through a civil court or as an arrear of land revenue.

10. *Penalties.*—If any person liable under section 7 to keep books of account or to submit returns fails to keep or submit the same in the manner prescribed or obstructs an inspector in the exercise of his powers and duties under this Part and the rules thereunder or contravenes any rule made under section 11, he shall, on conviction, be punishable with fine which may extend to fifty rupees.

11. *Power to make rules.*—(1) The Government may make rules, not inconsistent with the provisions of this Part, for the purpose of carrying into effect the provisions of this Part.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may

(*a*) prescribe the time and manner of payment of the electricity duty under section 6 ;

(*b*) prescribe the form of the books of account to be kept and the times at which, the form in which and the officers to whom the returns required by section 7 shall be submitted ;

(*c*) prescribe the powers and duties of inspecting officers ; and

(*d*) provide for any other matter for which there is no provision or insufficient provision in this Part and for which provision is, in the opinion of the Government, necessary for giving effect to the provisions of this Part.

(3) The making of rules under this section shall be subject to the condition of previous publication. Such rules shall be laid on the table of the Bombay Legislative Council for one month previous to the next session thereof and shall be liable to be rescinded or modified. If any rule is modified, the Government may accept the modification and re-issue the rule accordingly or may rescind the rule.

* * * * *

FIRST SCHEDULE.

(See Section 5.)

For lights and fans.

(*a*) In respect of all premises not falling under clause (*b*) and not exempted under the proviso to section 5 and the Second Schedule.	Six pies for each unit of energy consumed.
(*b*) In respect of all premises not exempted under the proviso to section 5 and the Second Schedule, when flat rates are charged by the licensee, for	
	Annas per mensem.
every lamp of less than 30 watts	2
every lamp of 30 watts or more but less than 40	3
every lamp of 40 watts or more but less than 60	4
every lamp of 60 watts or more but not exceeding 100	6
and for every additional 15 watts or fraction thereof in excess of 100 in any lamp.	1

Explanation.—In calculating the rate of duty under clause (*b*) every 10 watts shall be presumed to have consumed one and half units during a month.

SECOND SCHEDULE.

(See section 5, proviso.)

Exemptions.

(1) Government, save in respect of premises used for residential purposes ;
(2) a railway administration as defined in clause (6) of section 3 of the Indian Railways Act, 1890, save in respect of premises used for residential purposes ;
(3) a local authority, save in respect of premises used for residential purposes ;
(4) a tramway company, save in respect of premises used for residential and office purposes ;
(5) an industrial undertaking, save in respect of premises used for residential and office purposes ;
(6) a hospital or dispensary which is not maintained for private gain ;
(7) any consumer using not more than twelve units in any one month.

Explanation (1).—For the purpose of exemption (5)—

(*a*) " industrial undertaking " means all buildings or premises wherein or within the precincts of which any manufacturing process is carried on ; and

(*b*) " manufacturing process " has the meaning assigned to it by section 2 (4) of the Indian Factories Act, 1911.

Explanation (2).—For the purpose of exemption (7)—

(*a*) " Consumer " shall be deemed to include a landlord or a person who shall supply electrical energy to one or two roomed tenements in any one building in respect of any one of which tenements not more than twelve units of energy shall have been consumed during any one month ; and

(*b*) whether more than twelve units shall have been used by or in respect of any one tenement during any one month shall be determined by dividing the number of units used by the number of tenements in that building.

Copy of letter No. 1507/81, *dated the* 10*th August* 1932, *from the Association to the Secretary to the Government of Bombay, Department of Public Works, Bombay.*

Subject :—ELECTRICITY DUTY.

The attention of my Association has been invited by the General Manager of the Tata Hydro-Electric Power Supply Companies to the proposed Bombay Electricity Duty rules published on page 1751 *et seq* of the *Bombay Government Gazette*, dated the 28th July 1932, and in particular, to Rule 10 which states that the consumer shall instal meters or sub-meters for the purpose of indicating the consumption of electricity for lighting purposes. The General Manager of the Power Supply Companies has also indicated that, according to this rule, mills may possibly be called upon to instal meters in the Manager's Office, the Time-keeping Department and the Stores Department, and any residential quarters inside the mill premises.

My Committee desire me in the first place to state that the contemplated charge is unjustifiable, and could not have been within the contemplation of the Legislative Council when they amended the Act. Apart from that consideration, my Committee maintain that, barring residential quarters for the staff, all the departments in a mill must be regarded as essential parts of a manufacturing plant. Besides, the consumption of electric current in the departments referred to above is so small that the income which Government would

derive by taxing it would be negligible, and would not justify the expenditure which, for some reason my Committee are unable to understand, mills are called upon to bear on the installation of meters.

BOMBAY CASTLE, 14*th September* 1932.

No. 8836/2S.—In exercise of the powers conferred by section 11 of the Bombay Finance Act, 1932 (Bom. II of 1932), the Governor in Council is pleased to make the following rules :—

RULES.

1. *Short title.*—These rules may be called the Bombay Electricity Duty Rules, 1932.

2. *Time and manner of collection and payment.*—A licensee shall include the electricity duty leviable under the Act as a separate item in the bill of charges for the energy supplied by him, and shall recover the same from the consumer along with his own charges for the supply of such energy. The licensee shall pay such duty within forty days after the expiry of the month for which it is levied, in such manner as the Collector may direct.

3. *Keeping of books of account.*—The books of accounts kept by a licensee, under section 7 of the Act, shall contain the following particulars :—

(*i*) number of units of energy supplied for purposes of lights and fans ;
(*ii*) description of the premises to which the energy is supplied ;
(*iii*) amount of electricity duty with the rate charged ; and
(*iv*) date of cutting off the supply of energy on failure of payment of electricity duty.

Provided that the licensee shall be at liberty to furnish particular (*ii*) in a separate statement to the satisfaction of the Inspecting Officer.

4. *Submission of returns.*—The following monthly returns shall be submitted, in duplicate, by a licensee, under section 7—one copy to the Collector and another to the Electrical Engineer to Government—before the 15th of the month next after that following the month to which the return pertains :—

(1) a return in Form A appended hereto, and containing the following particulars :—

(*a*) number of units of energy consumed ;
(*b*) adjustment allowed by a license under rule 9 ;
(*c*) amount of electricity duty charged and recovered ; and
(*d*) number of units of energy exempted under the proviso to section 5 ;

(2) a return in Form B appended hereto, and containing the following particulars :—

(*a*) names and addresses of consumers who have made default in payment of electricity duty ; and
(*b*) amount of electricity duty found irrecoverable from such consumers.

5. *Inspection of books of account.*—An inspecting officer appointed under section 8 of the Act may, at any time, require a licensee, to produce for inspection at the registered office of the licensee such books and records in his possession or control as may be necessary for ascertaining or verifying the amount of electricity duty leviable by him under the Act.

6. *Power of entry of inspecting officers.*—An inspecting officer may enter any premises where energy is, or is believed to be, supplied by a licensee, for the purpose of—

(*i*) verifying the statements made in the books of account kept and returns submitted by the licensee ;

(*ii*) testing the reading of meters ; and

(*iii*) verifying the particulars required in connection with the levy of electricity duty.

7. *Other duties of inspecting officers.*—An inspecting officer shall, every month, inspect the books of account kept and returns submitted by a licensee under rule 4, and apply a detailed test of individual entries, to the extent prescribed by the Collector, for verifying the particulars noted by the licensee, so far as they are connected with the levy of electricity duty. He shall also verify all entries relating to—

(*i*) exemption from electricity duty, and

(*ii*) adjustments allowed by the licensee under rule 9.

8. *Reading of meters.*—A licensee shall in respect of energy liable to electricity duty under this Act cause the meter of every consumer to be read, as far as possible on the same date in each month, and record the units of energy consumed in the month for the purpose of lights and fans. The period between two such consecutive readings shall be reckoned as one month, for the purpose of calculation of electricity duty and submission of returns under rule 4.

9. *Adjustments.*—A licensee shall make allowance for fast and slow meters and incorrect readings.

10. *Provision of separate meters.*—Where there are combined installations supplying energy both for—

(*i*) power, and

(*ii*) lights and fans in respect of which electricity duty is leviable, or wherever energy is consumed

(*i*) which is exempt from electricity duty under any of the items of exemption specified in the second schedule to Part II of the Act, and

(*ii*) for lights and fans in respect of which electricity duty is leviable,

the consumer shall instal separate meters or sub-meters for indicating the two kinds of consumption separately.

Provided that if any consumer satisfies the Collector that the installation and operation of such separate meters or sub-meters involve cost disproportionate to the amount of electricity duty leviable from him per month, and furnishes to the Collector such data and information, which in the opinion of the Collector, in consultation with the Electrical Engineer to Government, is necessary for the assessment of the said duty the Collector may exempt such consumer from the requirement of this rule. A consumer exempted under this proviso shall communicate to the Collector every addition to the number, and every increase in the power, of lights and fans used by him within seven days of such addition or increase.

11. *Collector to decide dispute between licensee and consumer.*—In the case of a dispute between a licensee and a consumer, regarding the liability of the consumer for the payment of the electricity duty or exemption therefrom, the Collector shall decide the matter, and his decision shall be final and conclusive.

12. *Submission of returns prior to coming into operation of the rules.*—Notwithstanding anything contained in the foregoing rules, a licensee shall submit the returns referred to in rule 4, for the period prior to the date on which these rules come into operation, on such date as the Collector may direct in this behalf.

13. *Application of rules in the case of supply of energy by a person other than a licensee.* —The aforesaid rules shall apply *mutatis mutandis* in respect of the supply of energy by a person other than a licensee.

FORM A.

[See section 7 and rule 4.]

Monthly Return showing information regarding energy supplied for "lights and fans" to the consumers, electricity duty charged thereon, recovered and paid to Government during the month of 193 .

	Units.	Units.
Total quantity of energy for lights and fans sold		
Less ,, ,, ...		
Exempted : Sold to		
1. Government, save in respect of premises used for residential purposes.		
2. A railway administration as defined in clause 6 of section 3 of the Indian Railways Act, 1890, save in respect of premises used for residential purposes.		
3. A local authority, save in respect of premises used for residential purposes.		
4. A tramway company, save in respect of premises used for residential or office purposes.		
5. An industrial undertaking, save in respect of premises used for residential and office purposes.		
6. A hospital or dispensary which is not maintained for private gain.		
7. Any consumer using not more than twelve units in any one month.		
Total ..		
Total net units ..		

Rs.

	Rs. a. p.	Rs. a. p.
Amount of electricity duty for units as shown above ..		
Less : Adjustments allowed as per Schedule attached ..		
Less : Transfer to disconnected ledgers		
Plus : Recoveries from consumers disconnected		
Amount paid into Treasury under Challan No. dated		

Schedule.

[Here state adjustments allowed by licensee.]

FORM B.

[See section 7 and rule 4.]

Monthly Return showing particulars of consumers of energy for "lights and fans" and the amount of electricity duty found irrecoverable from them during the month of 193 .

Name and address of the consumer.	Units consumed.	Amount of electricity duty.	Period for which electricty duty is payable.	Reference to Ledger Account No.	Remarks (Action taken, if any, by the licensee for recovery.)
1	2	3	4	5	6
		Rs. a, p.			

Copy of letter No. 2138/81, *dated 9th November* 1932, *from the Association to the Secretary to the Government of Bombay, Department of Public Works, Bombay.*

Subject :—ELECTRICITY DUTY.

I am directed to invite your attention to my letter No.1507/81, dated the 10th August 1932, in which the point was made that, barring residential premises, all departments of a mill like the manager's office, the time-keeping, stores and other departments must be regarded as essential parts of a manufacturing plant and accordingly exempted from the operation of Rule 10 of the Electricity Duty Rules, requiring a consumer to instal separate meters or sub-meters for the different office buildings appurtenant to a mill and situated in the same compound.

My Committee would greatly appreciate an early reply on this point as several members have written in to the Association to say they do not know their exact legal position with regard to the collection and payment of the duty on the consumption of energy for lights and fans in these buildings which are situated within the mill compound and are used for mill purposes connected with and essential to the process of manufacture. The definition of an "industrial undertaking" has, it will be admitted, the effect of excluding "all buildings wherein or *within the precincts of which* any manufacturing process is carried out" from the operation of the Act. It would, therefore, appear reasonable to conclude that buildings and out-houses situated in a mill compound and used for complementary processes of manufacture or for other mill purposes connected with the actual process of manufacture come within the definition of an "industrial undertaking" and should, my Committee submit, be exempted from the liability for payment of the duty on lights and fans used therein.

The addition of the proviso to Rule 10 will, my Committee agree, to some extent enable members to obtain some relief in the matter of their obligation to instal separate meters in premises where the cost of such installation would be more than the amount of the duty realisable from them. This, however, does not go far enough and my Committee would greatly value an expression of opinion from you as to the precise class of buildings which are exempt from the collection of the present surcharge.

APPENDIX 8.

AMENDMENT OF THE INDIAN FACTORIES ACT.

Copy of letter No. 9073-D, dated the 27th June 1932, from the Secretary to the Government of Bombay, Political Department, to the Association.

Subject :—AMENDMENT OF THE INDIAN FACTORIES ACT.

I am directed by the Governor-in-Council to forward herewith a copy of a Bill to consolidate and amend the law regulating labour in factories and to request that you will be so good as to favour Government with the views of the Association not later than the 1st October 1932 on the provisions of the Bill accompanying it. I am to request that the reply may be sent direct to the Collector of Bombay.

Copy of letter No. L/3012, dated the 10th June 1932, from the Deputy Secretary to the Government of India, Department of Industries and Labour, Simla, to all Local Governments and Administrations.

I am directed to address you regarding the revision of the law relating to factories with special reference to the recommendations of the Royal Commission on Labour.

2. The principal change which the Commission advocate in the character of the Factories Act lies in its modification so as to discriminate in certain important matters between different classes of factories. All the substantive sections of the present Act apply equally to a large factory employing thousands of persons with elaborate machinery and to a small one employing 20 persons working with simple appliances ; they apply equally to the factory working steadily throughout the year and to the factory which can work only for a brief season. Further, if it is found necessary to regulate in any manner the factories which do not use machinery or which do not employ as many as 20 persons, the only method available is the application to them of the Act as a whole. It is only by use of the exempting provisions that any discrimination can be lawfully exercised. The Commission observe that " the present Act takes too little account of the differences between certain classes of factories, and one consequence of this defect is that, in some directions, it has to be unduly elastic." Remarking that the Act makes little distinction between seasonal and non-seasonal factories, they consider that the former class has tended to secure in matters of exemption and enforcement an amount of latitude which is not accorded to other factories. The aim, in their view, should be to establish standards for seasonal factories which may differ from those applicable to perennial factories, but which will be enforced with as much vigour as is applicable to the latter. Similarly, in respect of the smaller power factories, few of which are at present regulated, they propose another differentiation. In place of the present provisions which give local Governments the choice between applying the whole of the Act or none, they recommend the application of certain provisions automatically with power to apply other provisions as and where the need arises. Finally for factories not using power, nearly all of which are at present unregulated, they propose a new and separate Act.

3. Their recommendations fall into two groups, according as they involve the alteration of the law applicable to factories already subject to regulation and the extension of regulation to factories which are at present unregulated. The latter group of proposals raises questions of difficulty, especially at a time when financial considerations make it impossible to contemplate any substantial increase in the strength of the inspecting staff. For this and other reasons the Government of India propose to discuss the two groups of recommendations separately. The present reference is designed to elicit opinions only on the first group of recommendations, viz., those relating to such alterations in the law as do not involve any addition to the number of factories and workshops which will be subject to it. On the second group of proposals a separate reference will be made later.

4. In order to enable the effect of the former group of recommendations to be clearly seen, the Government of India have embodied them in a draft Bill which is appended to this letter. The inclusion of a provision in this Bill should not be taken as denoting that the Government of India approve the principle of the provision ; the Bill is designed primarily for the eliciting of opinions. It will be observed that the Bill is both a consolidating and an amending Bill. The Factories Act has already been amended to such an extent that but little of the original measure remains on the statute book, and if a substantial number of amendments have now to be made, it will be more convenient for all concerned with the administration of the law to have a self-contained enactment. The Bill is therefore in the form of a measure replacing the original Act of 1911 and the amending Acts of 1922, 1923, 1926 and 1931. Departures from the existing law are shown in the Bill in italics, and it is on these proposed changes that opinions are especially desired. Their object will be sufficiently clear in most cases from the notes appended to the Bill, which contain references to the portions of the Commission's Report in which they are discussed, and also comments by the Government of India. There are two questions, however, which, in view of their importance require a fuller discussion, namely, the change recommended by the Commission in the ordinary limits for adult hours and the provisions for exemption.

5. So far as the reduction of hours is concerned, the Commission's recommendation is applicable only to perennial factories. In seasonal factories they recommend the maintenance of the existing limits of sixty hours weekly and eleven hours daily, a proposal with which the Government of India are provisionally in agreement. The case for and against a reduction is set out at length in their Report in which it should be studied. The initial discussion will be found on pages 37 to 46 of the Report ; Sir Victor Sassoon's minute, setting out his objections, is on pages 478-480, and to this the majority have appended a rejoinder (pages 488-489) which clarifies their position on the question. The Government of India do not propose to traverse the ground again in detail, but they desire to set down what seem to them the salient points in this connection. It is important to remember, at the outset, that large sections of Indian industry ordinarily demand of the workers substantially shorter hours than the maxima permitted by the Act. Even before the present depression, it is probable that the working day for the majority of factory operatives was not more than 9 hours. The Commission's discussion of the case is accordingly directed to those industries, and notably the cotton textile industry, which take full advantage of the hours permitted by the Act.

6. In respect of such industries, there are two aspects of the case to be considered, viz., the effect of a reduction on the position of the operatives and the effect of a reduction on the position of the employers. As regards the operative, there can be no question of his need for a shorter day and of the advantages he will gain, provided that the reduction does not entail an undue monetary sacrifice. A system which requires him to spend eleven hours in the precincts of the factory, apart from the time occupied in going to and returning from work, is one which calls for reform if it can possibly be accomplished. But the loss of an hour from the working day must mean, unless the operative can produce an equivalent amount in the shorter time or the employer is prepared to pay a higher rate of wages, a reduction in earnings. Sir Victor Sassoon expresses the view that it will not be practicable to shorten hours in the textile industry without increasing wages to a corresponding degree. The majority of the Commission, on the other hand, definitely contemplate a reduction in wages, at any rate at the outset. The Government of India doubt if employers in any substantial section of industry can at present grant an appreciable increase which is not earned by increased production, and, if this is so, the possibility of avoiding dislocation by increasing wage-rates cannot be seriously considered. It should be remembered in this connection that piece rates, where they are in force, should operate to minimise the difficulties of adjustment.

7. Assuming that the wage-rates, i.e., the rates of payment per unit of output, were maintained and hours were reduced, some increase in the rates of earnings per hour might be expected. The view that the 10-hour day, where it is in operation, is only a nominal day has the support of responsible employers, and few will contest the view of the Commission that " it is impossible for the average operative to remain at work regularly through a 10-

hour day either in a cotton mill or in any other factory." Some adjustment, therefore, is possible in the form of concentrating the actual hours of work for the individual operative into a shorter space, i.e., in reducing the appreciable amount of time at present spent away from work in what are nominally working hours. If, as many employers believe, the effort of the operative is influenced largely by his desire to earn a more or less definite sum, the reduction of hours should have an immediate effect in increasing efficiency, and it would certainly render possible an increase in efficiency which cannot be demanded with existing hours. Even so, it seems probable that there will be many operatives who will have to face a reduction of earnings, at least until there has been time for them to adjust themselves to the new conditions. But, as the Commission have observed in this connection, the general level of real wages has risen apparently owing to the fall in prices, and it appears to be substantially above the level prevailing a few years ago. In consequence, a reduction in individual earnings could be made without bringing them back to that level.

8. As regards the effect upon employers, there is one essential difference to be borne in mind. A reduction of hours is for the operative an absolute reduction; the number of hours available to him for production is definitely diminished and his production can only be maintained by the attainment of a higher standard of work. For the employer the reduction need not be absolute. He has, in theory, the whole of the 24 hours still available for production; in practice it should be possible for many employers, by engaging additional operatives and adjusting the hours of work, to reduce the hours of the individual workers while maintaining or increasing the hours of production. Provided that the employer is not compelled to increase wage-rates or to curtail the aggregate hours worked, the number of men who contribute to these hours is for him a matter of secondary importance. Actually, in important sections of industry such as the cotton-textile industry, the number of men in employment at present is substantially in excess of the number that would be necessary if every man remained on duty throughout working hours; and where this is the case, the regularization of the unauthorized intervals offers an obvious opportunity for adjustment. Apart from the compensation which can be obtained in this manner, and the increase in the rate of production which a shorter day should bring, the Commission lay stress on the increased production which is possible by increasing the total hours worked by the factory by the employment of separate shifts. Indeed, since they examined the question, the cotton-mill industry in various centres has tended to resort to this method for increasing production. In a few cases, hours for the individual have been reduced to 9 and even 8; but most of the mills require even the night shift to work 10 hours. This development, which was anticipated by the Commission, affords an additional reason for considering the reduction of hours; for it is generally recognized that night shift working involves an extra strain on the operative.

9. The difficulty which confronted many employers in the past in connection with proposals to restrict the hours of work was that of finding adequate extra labour to compensate for the shorter hours of individual workers. That difficulty can hardly be said to exist at present; the supply of labour in most centres is more than adequate to any demand that is likely to arise as a result of a reduction of hours, and the distribution of the demand over a larger number of workers might do something to alleviate hardship during the present time of stress. The Government of India do not doubt, therefore, that if the conclusion is reached that a reduction of the maximum hours is in the interests of the country as a whole, the present time is in several respects well suited to its introduction. A reduction in earnings is a serious matter for operatives and the necessary adjustments must be attended with some difficulty both for employers and for workers at any time. But whether the situation is examined from the point of view of the employers, of the employed or of those seeking employment, there is now a more favourable opportunity of effecting a change than there has been at any time in the past.

10. The majority of the Commission recommend for most perennial factories a weekly limit of 54 hours and a daily limit of 10 hours; the minority propose limits of 48 and 8 hours respectively. The arguments for these views are set out on pages 44-46 of the Report. The Government of India consider that, if a reduction is to be made, the advantages of limiting the reduction, for the present at any rate, to that advocated by the majority are

obvious. The majority add "we would allow factories working on continuous processes or supplying articles of necessity which have to be supplied every day a 56-hour week, subject to their giving the operative an average week of not more than 54 hours and conforming, in respect of holidays, to the provisions we recommend later." The appended Bill embodies the recommendations of the majority of the Commission.

11. I am to invite special attention also to the question of the exempting provisions. In the draft Bill some minor changes of substance have been made in these. Thus the existing section 32 has been omitted; in so far as the factories mentioned in them satisfy the conditions mentioned in section 30 of the Act, they can secure the necessary exemptions, and there would seem to be no justification for a wider latitude than that section permits. Again, Chapter V of the draft no longer contains provisions for exemption from the requirements of registration, at present embodied in section 26. This change is consequent on the omission of that section in its present form and the insertion of other provisions, to which reference is made below. A new section, limiting exemptions in respect of the period for which they are operative, has been added on the recommendation of the Labour Commission. A section has also been added to provide for maximum limits of overtime. Such provision is made obligatory by the Washington Hours Convention, and limits are at present prescribed by rules in most provinces; but doubts have been cast in some provinces on the validity of these rules. The other alterations are almost entirely consequential.

12. But while the Government of India have left the main principles governing exemptions, embodied in section 30 of the Act (clause 44 of the Bill) unaltered, they are anxious that these also should be closely scrutinized. If the Act is altered on the lines proposed by the Labour Commission, the main classes of factories mentioned in clauses (*c*), (*d*) and (*e*) of the section will be granted, in certain respects, by the substantive provisions of the Act, a degree of latitude not allowed to other factories. Although it must be emphasized that even the special provisions proposed for these factories will in no case place them in a more favourable position than they at present enjoy, it might be possible and desirable to reduce the range of exemptions applicable in such cases. A further point which deserves examination is the possibility of fixing statutory limits of overtime in the Act, instead of leaving them to rules. There is an absolute limit, under the present Act, of 11 hours per day for women. In the case of men, while an absolute daily limit is probably undesirable, there would be advantages in fixing a uniform limit to the possible extension of weekly hours.

13. In one important respect the recommendations of the Commission have been varied in the Bill. On page 64 of their Report the Commission suggest that, following the principle embodied in British legislation, local Governments should be empowered in general terms to pass orders applicable to particular classes or groups of factories relating to welfare. "Welfare" is a wide term and the Commission have given some indication of the variety of subjects which can be included under this head. The Government of India are provisionally opposed to such a wide extension of the rule-making power as this recommendation would involve. They consider it preferable and more in consonance with the principles underlying the Act, that fresh requirements of the kind regarded by the Commission as desirable should have the approval of the Legislature and should not be imposed on factory-owners by the executive Government. While, therefore, they have embodied in the draft Bill amendments designed to carry out the specific recommendations of the Commission in respect of welfare, they have not made provision for any such general order-making power as the Commission contemplated.

14. The proposals made by the Labour Commission relating to factories have now been before the public for nearly a year and those concerned have doubtless formulated provisional conclusions with regard to them. There are, however, certain other amendments in the draft Bill which do not arise out of the Commission's recommendations. In particular attention is invited to clauses 51 and 52 which represent an endeavour to recast sections 26, 35 and 36 of the existing Act. The reasons for these and such other changes as have been made are explained in the comments appended to the Bill. The Government of India will also be glad to consider any suggestions for the improvement of the law, whether these relate

to sections which have been amended in the draft Bill or to those left unaltered. I am to request that copies of this letter and its enclosures may be forwarded to associations of employers and employed and to such other organizations or individuals as are likely to be interested in them and that the Government of India may be favoured with the opinions received and with the views of His Excellency the Governor in Council not later than the 1st December 1932.

Note.—Departures from the existing law are shown in italics.

DRAFT FACTORIES BILL.

An Act to consolidate and amend the law regulating labour in factories.

WHEREAS it is expedient to consolidate and amend the law regulating labour in factories ; It is hereby enacted as follows :—

CHAPTER I.—PRELIMINARY.

1. *Short title, commencement and extent.*—(1) This Act may be called the Factories Act, 1933.

(2) It extends to the whole of British India including British Baluchistan and the Sonthal Parganas.

(3) *It shall come into force on the first day of July* 1933.

2. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,—

(1) *Child*—" child " means a person who is under the age of fifteen years ;

(2) *Employed*—a person who works in a factory, whether for wages or not,—

(*a*) in a manufacturing process or handicraft, or

(*b*) in cleaning any part of the factory used for any manufacturing process or handicraft, or

(*c*) in cleaning or oiling any part of the machinery, or

(*d*) in any other kind of work whatsoever, incidental to, or connected with, the manufacturing process or handicraft, or connected with the article made or otherwise the subject of the manufacturing process of handicraft therein,

shall be deemed to be employed therein ;

(3) *Factory*—" factory " means any premises wherein, or within the precincts of which, on any one day in the *preceding twelve months* not less than twenty persons *were* simultaneously employed and steam, water or other mechanical power or electrical power is used in aid of any manufacturing process :

(4) *Manufacturing process*—" manufacturing process " means any process for or incidental to—

(*a*) making, altering, repairing, ornamenting, finishing, or otherwise adapting for use, transport or sale, any article, or part of an article, or

(*b*) refining oil or pumping or filtering water, or

(*c*) supplying, generating or transforming pneumatic, hydraulic or electrical energy, and includes the baling of any material for transport :

(5) *Mill-gearing*—" mill-gearing " includes every shaft whether upright, oblique or horizontal, and every wheel, drum, pulley, rope, chain, wire, driving strap or band by which the motion of the first moving power is communicated to any machine appertain ing to any manufacturing process.

(6) *Occupier*—" occupier " includes a managing agent or other person authorised to represent the occupier.

(7) *Perennial factory*—" *Perennial factory* " *means any factory which is not a seasonal factory.*

(8) *Prescribed*—" prescribed " means prescribed by this Act or by rules made thereunder ;

(9) *Seasonal factory*—" *seasonal factory* " *means*—

(*a*) *any factory which has not been declared by the local Government under clause* (*a*) *of sub-section* (1) *of section* 3 *to be a perennial factory and which is engaged exclusively in one or more of the following industries, namely, cotton-ginning, cotton or jute pressing, the decortication of groundnuts, the manufacture of coffee, indigo, lac, rubber or tea ;*

(*b*) *any factory which has been declared by the Local Government under clause* (*b*) *of sub-section* (1) *of section* 3 *to be a seasonal factory.*

(10) *Week*—(" week " means the period between midnight on Saturday night and midnight on the succeeding Saturday night.

3. *Notification of factories as perennial and seasonal factories.*—(1) *The Local Government may, by notification in the local official Gazette, declare :*—

(*a*) *any specified factory in which work is ordinarily carried on on more than* 180 *days in any year and which but for such notification would be a seasonal factory, to be a perennial factory* ;

(*b*) *any specified factory in which work is ordinarily carried on on not more than* 180 *days in any year and in which the work performed cannot be carried on except at stated seasons or at times dependent on the irregular action of natural forces to be a seasonal factory.*

(2) *A declaration by the Local Government that any factory is a perennial factory or a seasonal factory, as the case may be, shall not be called in question in any Court.*

4. *Extension of provisions of Act to certain establishments.*—(1) The Local Government *may,* by notification in the local official *Gazette* declare any premises *or* class of premises wherein, or within the precincts of which, on any one day in the *twelve months preceding the notification* not less than ten persons *were* employed and any manufacturing process is carried on to be factories.

(2) *In making such a declaration the Local Government may also declare that any section or sections of this Act shall not be applicable to any such premises or class of factories.*

(3) *Any such notification shall cease to be operative in respect of any premises when on no day in the preceding twelve months more than nine persons were employed in such premises.*

5. *Application of Act.*—Nothing in this Act shall apply to any mine subject to the operation of the Indian Mines Act, 1923.

Chapter II.—Inspectors and Certifying Surgeons.

6. *Inspectors.*—(1) The Local Government may, by notification in the local official *Gazette,* appoint such persons as it thinks fit to be inspectors of factories within such local limits as it may assign to them respectively.

(2) No person shall be appointed to be an inspector under sub-section (1), or having been so appointed, shall continue to hold the office of inspector, who is or becomes directly or indirectly interested in a factory or in any process or business carried on therein or in any patent or machinery connected therewith.

(3) The District Magistrate shall be an inspector under this Act.

(4) The Local Government may also, by notification as aforesaid and subject to the control of the Governor-General in Council, appoint such public officers as it thinks fit to be additional inspectors for all or any of the purposes of this Act within such local limits as it may assign to them respectively.

(5) In any area where there are more inspectors than one, the Local Government may, by notification as aforesaid, declare the powers which such inspectors shall respectively exercise, and the inspector to whom the prescribed notices are to be sent.

(6) Every inspector shall be deemed to be a public servant within the meaning of the Indian Penal Code and shall be officially subordinate to such authority as the Local Government may indicate in this behalf.

7. *Powers of Inspector.*—Subject to any rules in this behalf, an inspector may, within the local limits for which he is appointed,—

(*a*) enter, with such assistants (if any) as he thinks fit, any place which is, or which he has reason to believe to be, used as a factory ;

(*b*) make such examination of the premises and machinery and of any prescribed registers, and take on the spot or otherwise such evidence of any persons as he may deem necessary for carrying out the purposes of this Act ; and

(*c*) exercise such other powers as may be necessary for carrying out the purposes of this Act :

Provided that no one shall be required under this section to answer any question or give any evidence tending to criminate himself.

8. *Certifying surgeons.*—The Local Government may appoint such qualified medical practitioners as it thinks fit to be certifying surgeons for the purposes of this Act within such local limits as it may assign to them respectively.

9. *Grant of certificate.*—(1) A certifying surgeon shall, at the request of any person desirous of being employed in a factory situated within the local limits for which he is appointed, or of the parent or guardian of such person, or of the manager of the factory in which such person desires to be employed, examine such person and if he is fit for employment in a factory grant him a certificate in the prescribed form, stating his age, as nearly as it can be ascertained from such examination, and that he is fit for such employment.

Provided that the Local Government may prescribe the minimum height to be attained by children seeking employment in factories or in any class of factories and when such a standard has been prescribed, no child failing to attain it shall be certified as fit for employment in a factory.

(2) A certifying surgeon may revoke any certificate granted to a child under sub-section (1) if, in his opinion, the child is no longer fit for employment in a factory.

(3) Where a certifying surgeon refuses to certify that a person is fit for employment in a factory or revokes a certificate granted to a child in this behalf, he shall, if required by such person or child, or by the parent or guardian of such person or child, or by the manager of the factory in which such person or child desires to be employed, state in writing his reasons for such a refusal or revocation.

10. *Delegation of certifying surgeon's functions.*—A certifying surgeon may authorize any registered practitioner to exercise the functions assigned to him by section 9, and may revoke such authority :

Provided that no certificate granted under this section shall, unless confirmed, on personal examination of the person named therein, by the certifying surgeon who conferred the authority, be valid for a period of more than three months.

Explanation.—In this section the expression "registered practitioner" means any person registered under the Medical Act, 1858, or any Act amending the same or under any Act of any Legislature in British India providing for the maintenance of a register of medical practitioners, and includes, in any area where no such last-mentioned Act is in force, any person declared by the Local Government, by notification in the local official *Gazette*, to be a registered practitioner for the purposes of this section.

11. *Compulsory medical examination.*—Where an inspector is of opinion that a child employed in a factory is no longer fit for employment, he may serve on the manager of the factory a notice requiring that such child shall cease to be employed until he has been re-examined by a certifying surgeon or by a registered practitioner authorized by a certifying surgeon in this behalf.

12. *Power of the Inspector to order medical examination.—Where an inspector is of opinion that a person employed without a certificate is a child, he may serve on the manager of the factory a notice requiring that such person shall be examined by a certifying surgeon or by a registered practitioner authorized by a certifying surgeon in this behalf, and such person shall cease to be employed in the factory until the examination has been made.*

Chapter III.—Health and Safety.

13. *Sanitary provisions.*—The following provisions shall apply to every factory :—

(*a*) it shall be kept clean, and free from effluvia arising from any drain, privy or other nuisance ;

(*b*) it shall not be so overcrowded while work is carried on therein as to be dangerous or injurious to the health of the persons employed therein ;

(*c*) it shall be ventilated in such a manner as to render harmless, as far as practicable, any gases, vapours, dust or other impurities generated in the course of the work carried on therein that may be injurious to health ;

(*d*) the atmosphere shall not be rendered so humid by artificial means as to be injurious to the health of the persons employed therein, *or to cause serious discomfort to them.*

14. *Provisions as to ventilation by fans in certain factories.*—If in a factory, in which any process is carried on by which dust or other impurity is generated and inhaled by the workers to an injurious extent, it appears to the inspector that such inhalation could be to a great extent prevented by the use of a fan or other mechanical means, the inspector may serve on the manager of the factory an order in writing, directing that a fan or other mechanical means of a proper construction for preventing such inhalation shall be provided before such date as may be specified in the order, and shall thereafter be maintained and used.

15. *Cooling power of atmosphere in factories.—If an Inspector specially authorized by the Local Government in this behalf is of opinion that the cooling power of the air in a factory is at times insufficient to secure operatives against danger to health or serious discomfort and that it can be appreciably increased by measures which do not involve an amount of expense which is*

unreasonable in the circumstances, he may serve on the manager of the factory a notice specifying the measures which in his opinion should be adopted and requiring him to carry them out before such date as may be specified therein.

16. *Lighting.*—(1) Every factory shall be sufficiently lighted.

(2) In the case of any factory which is not in the opinion of the inspector so lighted, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for the attainment of a sufficient standard of lighting, and requiring him to carry them out before a specified date.

17. *Purity of water used for humidifying.*—(1) In any factory in which humidity of the atmosphere is produced by artificial means, the water used for the purpose of producing humidity shall be taken either from a public supply of drinking water or from some other source of water ordinarily used for drinking, or shall be effectively purified before being used for the purpose of producing humidity.

(2) In the case of any factory in which any water required under sub-section (1) to be effectively purified is not in the opinion of the inspector so purified, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for effectively purifying the water and requiring him to carry them out before a specified date.

18. *Provision of latrines and urinal accommodation.*—Every factory shall be provided with sufficient and suitable latrine accommodation, and if the Local Government so requires, with separate urinal accommodation for the persons employed in the factory :

Provided that the inspector may, subject to such conditions as the Local Government may lay down in this behalf, by an order in writing exempt any factory from the provisions of this section.

19. *Water supply.*—(1) In every factory there shall be maintained a sufficient and suitable supply of water fit for drinking for the use of the persons employed in the factory.

(2) *A sufficient and suitable supply of water for washing and facilities for its use shall be maintained for the use of persons employed in any factory in processes involving contact with poisonous or obnoxious substances.*

20. *Shelter for rest.—In every factory in which more than two hundred and fifty persons have been employed on any day in the preceding twelve months an adequate shelter shall be provid ed for the use during rest-periods of the persons employed.*

21. *Doors of factory to open outwards.*—In every factory the doors of each room in which more than thirty persons are employed shall, except in the case of sliding doors, be constructed so as to open outwards.

22. *Provision of means of escape in case of fire.*—(1) Every factory shall be provided with such means of escape in case of fire for the persons employed therein as can reasonably be required in the circumstances of each case.

(2) In the case of any factory which is not in the opinion of the inspector so provided, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for providing such means of escape, and requiring him to carry them out before a specified date.

23. *Precautions against fire.*—No person shall smoke, or use a naked light or cause or permit any such light to be used, in the immediate vicinity of any inflammable material in any factory.

24. *Fencing.*—(1) (*a*) Every fly-wheel directly connected with a steam-engine, water-wheel or other mechanical power or electrical power in any part of the factory and every part of any water-wheel or engine worked by any such power,

(*b*) every hoist or teagle and every hoist-well, trap-door or other similar opening near which any person is liable to pass or be employed, and

(*c*) every part of the machinery and electrical fittings including live wires and switches which the Local Government may by rule require to be kept fenced,

shall be securely fenced.

(2) If in any factory there is any other part of the machinery or mill-gearing which may in the opinion of the inspector be dangerous if left unfenced, the inspector may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for fencing such part in order to remove the danger, and requiring him to carry them out before a specified date.

(3) All fencing must be constantly maintained in an efficient state while the parts required to be fenced are in motion or use, except where they are under repair or are under examination in connection with repair or are necessarily exposed for the purpose of cleaning or lubricating or for altering the gearing or arrangements of the parts of the machinery.

(4) Such provision as may be prescribed shall be made for the protection from danger of persons employed in attending to the machinery or boilers of any factory.

25. *Repairs to buildings or machinery.*—(1) If an inspector is of opinion—

(*a*) that any factory or part thereof is in such a condition as to be dangerous to human life or safety, or

(*b*) that any part of the ways, works, machinery or plant used in a factory is in such a condition that it cannot be used without danger to human life, or safety,

he may serve on the manager of the factory an order in writing, specifying the measures which he considers necessary for removing the danger, and requiring him to carry them out before such date as may be specified therein.

(2) If, in the opinion of the inspector, the use of any part of the ways, works, machinery or plant in a factory involves imminent danger to human life, he may serve on the manager of the factory an order in writing, prohibiting the use thereof until it is duly repaired or altered.

(3) *If an inspector is of opinion that, on account of any defect or inadequacy in the construction of any factory the factory or any part thereof is dangerous to human life or safety, he may serve on the manager an order requiring him before such date as may be specified therein to carry out such tests as may be necessary to determine the strength or quality of any specified parts of the structure and to furnish the results of such tests to the inspector.*

26. *Certificates of stability.*—(1) *The Local Government may prescribe that work shall not be carried on in any factory or class of factories unless a certificate of stability in the prescribed form signed by a person possessing such qualifications as may be prescribed has previously been sent to the inspector.*

(2) *In any factory in respect of which a certificate of stability has been furnished, no such structural alterations as are likely to reduce temporarily or permanently the stability of the building shall be carried out unless previous notice has been given to the inspector in such form as may be prescribed.*

(3) *Where in the opinion of the inspector the structural alterations which are intended to be made or which have been made in a factory are such as are likely to reduce temporarily or permanently the stability of the building, he may require that from the date of commencing to make such alterations or from such later date as may be specified in his order, no work shall be carried on in the factory or any specified part thereof until a fresh certificate of stability has been furnished to him in the prescribed form signed by a person possessing such qualifications as may be prescribed.*

27. *Prohibition of employment of women and children in certain dangerous work.*—(1) No woman or child shall be allowed to clean any part of the mill-gearing or machinery of a factory while the same is in motion by the action of steam, water or other mechanical power or electrical power, or to work between the fixed and traversing parts of any self-acting machine while such machine is in motion by the action of any power above described.

(2) The Local Government may, by notification in the local official *Gazette*, prohibit in any factory or class of factories specified in the notification the cleaning by any person of any part so specified of any mill-gearing or machinery while the same is in motion by the action of steam, water or other mechanical or electrical power.

28. *Power to prohibit presence of children in factories.*—Where, in the opinion of the inspector, the presence in any factory or any part thereof of children, who, by reason of their age, cannot, under the provisions of this Act, be lawfully employed therein, involves danger to, or injury to the health of, such children, he may serve on the manager of such factory an order in writing, prohibiting the admission of such children to the factory or part thereof.

29. *Employment on processes involving lead.*—No person under the age of eighteen years and no woman shall be employed in any factory in any of the operations specified in Part I of the Schedule and no *person* shall be employed in any factory otherwise than in accordance with the regulations contained in Part II of the Schedule in any operation involving the use of lead compounds.

30. *Prohibition of employment of women and children where cotton-openers are at work.*—No woman or child shall be employed in the part of a factory for pressing cotton in which a cotton-opener is at work :

Provided that, if the feed-end of a cotton-opener is in a room separated from the delivery-end by a partition extending from the floor to the roof, or to such height as the inspector may, in any particular case, specify, women and children may be employed in the room in which the feed-end is situated.

31. *Rooms for children.*—(1) *In every factory in which on any day in the preceding twelve months more than two hundred and fifty women have been employed, a room shall be reserved for the use of the children of women employed in the factory.*

(2) *The Local Government may by notification in the local official Gazette extend the operation of sub-section* (1) *to any factory in which more than fifty women have been employed on any day in the preceding twelve months or to any factory in which women are employed on processes generating gases, vapours, dust or other impurities.*

Provided that the Local Government, in extending the operation of sub-section (1) *to any seasonal factory may direct that the provision of a shelter of the prescribed type shall constitute sufficient compliance with the provisions of that sub-section.*

(3) *In a factory to which the provisions of sub-section* (1) *apply or have been extended, no child under the age of six years shall be admitted to any room or part of the factory in which any manufacturing process is being carried on.*

CHAPTER IV.—HOURS OF EMPLOYMENT AND HOLIDAYS.

32. *Rest periods and spread-over.*—(1) In every factory on each working day there shall be fixed for each employee *who is employed on that day for more than six hours* a period of rest of not less than one hour *so arranged that no employee shall work for more than six hours continuously.*

Provided that, in lieu of *this period* there may be fixed for each male person employed for not more than eight and a half hours on each working day, at the request of the employees concerned and with the previous sanction of the Local Government, a period of rest of not less than half an hour, so arranged that no such person shall work for more than five hours continuously.

Provided further that the Chief Inspector may, on the application of any employer and after ascertaining the opinion of the majority of the employees concerned, permit the period of rest for any or all of the employees to be divided into separate periods of rest of not less than fifteen minutes each, so arranged that no employee shall work for more than five hours continuously.

(2) *The hours of work for every person employed in a factory shall be so arranged that he is not required to work during any part of a continuous period of eleven hours in every twenty-four hours, and this period shall, in the case of women and of persons under sixteen years of age include the hours between 10 p.m. and 5 a.m.*

33. *Weekly Holiday.*—(1) No person shall be employed in any factory on a Sunday, unless—

(*a*) he has had, or will have, a holiday for a whole day on one of the three days immediately preceding or succeeding the Sunday, and

(*b*) the manager of the factory has previous to the Sunday or the substituted day, whichever is earlier, given notice to the inspector of his intention so to employ the said person and of the day which is to be substituted and has at the same time affixed a notice to the same effect in the place mentioned in section 51 and section 52.

Provided that no such substitution shall be made as will result in any person working for more than ten consecutive days without a holiday for a whole day.

(2) Where, in accordance with the provisions of sub-section (1), any person is employed on a Sunday in consequence of his having had a holiday on one of the three days preceding that Sunday, that Sunday shall, for the purpose of calculating the weekly hours of work of such person, be deemed to be included in the preceding week.

34. *Employment of children.*—(1) No child shall be employed in any factory unless he is in possession of a certificate granted under section 9 or section 10 showing that he is not less than twelve years of age and is fit for employment in a factory and while at work carries either the certificate itself or a token giving reference to such certificate.

(2) No child shall be employed in any factory before half-past five o'clock in the morning or after seven o'clock in the evening.

(3) No child shall be employed in any factory for more than five hours in any one day.

(4) *For each child employed in a factory the hour of commencing work and the hour of ending work on every day shall not be separated by more than seven and a half hours.*

35. *Employment of young persons.—Every person under the age of sixteen years who is employed in a factory shall be deemed to be a child for the purposes of sub-sections* (2), (3) *and*

(4) *of section* 34 *unless he is in possession of a certificate granted under section* 9 *or section* 10 *showing that he is over fifteen years of age and is fit for adult employment in a factory and while at work carries either the certificate itself or a token giving reference to such certificate.*

36. *Employment of women in seasonal factories.—The Local Government by notification in the local official Gazette, may in respect of any specified seasonal factory or class of seasonal factories within any area specified in the notification, define the period or periods during which women may be employed, such period or periods to amount in the aggregate to not less than eleven hours and no women shall be employed in any factory to which the notification extends except within such periods.*

37. *Prohibition of employment in two factories on same day.*—No person shall employ, or permit to be employed, in any factory any child or save in such circumstances as may be prescribed, any other person whom he knows, or has reason to believe, to have already been employed on the same day in any other factory.

38. *Limitation of working hours per week.*—No person shall be employed in *any* factory for more than sixty hours in any one week.

39. *Limitation of working hours per day.*—No person shall be employed in any factory for more than eleven hours in any one day.

40. *Limitation of working hours per week in perennial factories.*—(1) *Save as provided in sub-section* (2) *no person shall be employed in any perennial factory for more than fifty-four hours in any one week.*

(2) *In any perennial factory persons employed on work which necessitates continuous production for technical reasons and persons whose work is required for the manufacture or supply of articles of prime necessity which must be made or supplied every day may be employed for not more than fifty-six hours in any week, subject to the condition that they shall not be employed for more than one hundred and eight hours in any fortnight.*

41. *Limitation of working hours per day in perennial factories.—No person shall be employed in any perennial factory for more than ten hours in any one day.*

42. *Control over overlapping shifts.—In any class of factories to which the Local Government may, by rules made under this Act, extend the operation of this section, work shall not be carried on by a system of shifts so arranged that more than one shift of persons employed in work of the same kind is at work in any factory at the same time, except with the permission of the Local Government and subject to such conditions as it may impose.*

Chapter V.—Exceptions.

43. *Exceptions for persons holding positions of supervision, etc.*—Nothing in any of the following sections, namely, 32, 33, 38, 39, 40, 41 and 51, shall apply to persons who may, by rules made by the Local Government under this Act, be defined to be persons holding positions of supervision or management or to persons employed in a confidential capacity.

44. *Exemptions.*—(1) Where it is proved to the satisfaction of the Local Government—

(*a*) that any class of work in a factory is in the nature of preparatory or complementary work which must necessarily be carried on outside the limits laid down for the general working of the factory ; or

(*b*) that the work of any class of workers is essentially intermittent ; or

(*c*) that there is in any class of factories any work which necessitates continuous production for technical reasons ; or

(*d*) that any class of factories supplies the public with articles of prime necessity which must be made or supplied every day ; or

(*e*) that in any class of factories the work performed, by the exigencies of the trade or by its nature, cannot be carried on except (*i*) at stated seasons or (*ii*) at times dependent on the irregular action of natural forces ;

the Local Government may, subject to the control of the Governor-General in Council, by notification in the local official *Gazette*, exempt on such conditions, if any, as it may impose and in such area as may be specified in the notification—

in case (*a*) such class of work from all or any of the provisions of sections 32, 38, 39, 40 and 41 ;

in case (*b*) work of the nature described from all or any of the provisions of sections 32, 33, 38, 39, 40 and 41 ;

in case (*c*) work of the nature described from the provisions of sections 32, 33, 39 and 41 ;

in cases (*d*) and (*e*) (*ii*) such class of factories from the provisions of section 33 ;

in case (*e*) such class of factories from the provisions of section 32.

(2) The Local Government may, by general or special order, exempt on such conditions, if any, as it may impose, any factory from all or any of the provisions of sections 32, 33, 38, 39, 40 and 41, on the ground that such exemption is necessary in order to enable such factory to deal with an exceptional press of work.

(3) In such circumstances and subject to such conditions as may be prescribed, nothing in section 32, section 33, section 38, section 39, section 40 or section 41, shall apply to work on urgent repairs.

Provided that no exemption may be granted under this section from the provisions of sub-section (2) *of section* 32 *or of section* 39 *or of section* 41 *in respect of the work of any woman or any person under the age of sixteen years.*

45. *Payment for overtime.*—(1) *Where, under the provisions of sub-section* (1) *or sub-section* (2) *of section* 44, *any factory has been exempted from the provisions of section* 40, *every person employed in such factory for more than the hours permitted by section* 40 *shall be paid, in respect of the overtime, at a rate which shall be at least one and a quarter times the rate at which he is normally paid.*

(2) Where, under the provisions of sub-section (1) or sub-section (2) of section 44, any factory has been exempted from the provisions of section 38 every person employed in such factory for more than sixty hours in any one week shall be paid, in respect of the overtime, at a rate which shall be at least one and a half times the rate at which he is normally paid.

46. *Other special exemptions.*—The Local Government may, subject to the control of the Governor-General in Council, by notification in the local official *Gazette*, exempt on such conditions, if any, as it may impose—

(*a*) any factory or class of factories from the provisions of section 33, in respect of persons employed therein in any engine-room or boiler-house,

(*b*) any fish-curing or fish-canning factory from the provisions of sub-section (2) of section 32 where the employment of women outside the limits provided by that clause is necessary to prevent any damage to or deterioration of any raw material.

47. *Limitation of exempting orders.—Every exempting order made under this chapter shall remain in force for such period as may be specified in the order, and this period shall in no case exceed three years.*

48. *Overtime limits.—The Local Government shall prescribe maximum limits to the additional hours which may, by virtue of any exemptions granted under this chapter, be worked and thereupon any exemptions so granted shall be deemed to be subject to the limits so prescribed.*

Chapter VI.—Notices and Registers.

49. *Person occupying factory to give notice.*—(1) Every person occupying a factory shall—on or before the date on which the factory commences working as such—send to the inspector a written notice containing—

(*i*) the name of the factory and of the place where it is situate,

(*ii*) the address to which he desires his letters to be directed,

(*iii*) the nature of the work performed in such factory,

(*iv*) the nature and amount of the moving power therein, and

(*v*) the name of the person who shall be deemed to be the manager of the factory for the purposes of this Act :

Provided that in the case of a seasonal factory such notice shall be sent on or before the date of starting work for each season.

(2) If the manager of the factory is changed, the occupier shall send to the inspector, within seven days from the date on which the change is made, written notice of the change.

(3) During any period for which no person has been designated as manager of a factory under this section, or during which the person designated does not manage the factory, any person found acting as manager of the factory, or, if no such person is found, the occupier himself shall be deemed to be the manager of the factory for the purposes of this Act.

50. *Notice to be given of accident.*—When in any factory an accident occurs which causes death or bodily injury, whereby the person injured is prevented from returning to his work in the factory during the forty-eight hours next after the occurrence of the accident, or which is due to any cause which has been notified in this behalf by the Local Government in the local official *Gazette*, the manager shall send notice of the accident to such authorities in such form and within such time as may be prescribed.

51. *Record of employment of adults.*—(1) The manager of every factory shall fix *periods of time, within the limits allowed by Chapter IV*, for the *work of each adult* employed *and shall record these* in a register in the prescribed form, giving the names of *the adults* and the nature of their employment.

(2) There shall be affixed *and correctly maintained* in some conspicuous place near the main entrance of every such factory, in English and in the language of the majority of the operatives in such factory, the prescribed abstracts of this Act and of the rules made thereunder and also a notice containing the following *particulars* :—

(*a*) *for adults who are not employed in shifts*, the hours of beginning and ending *of each period of their* work ;

(*b*) *for adults who are employed in shifts*, the hours of beginning and ending *of each period of* work for each *such* shift ;

(*c*) the weekly holidays fixed under section 33.

(3) A copy of the said notice shall be sent in duplicate to the inspector within *fourteen days of the coming into force of this Act or, if the factory commences to work after that date, within fourteen days of commencing to work.*

(4) *Any proposed change in the system of work in the factory which necessitates a change in the said notice shall be notified* by the manager to the inspector in duplicate *before the change is made and, except with the previous sanction of the inspector, no such change shall be made unless three months have elapsed from the preceding change.*

(5) *No adult* shall be employed in any factory *otherwise than in conformity with the particulars entered in the register and the notice required by this section.*

Provided that :—

(*a*) where the Local Government is satisfied that the conditions of work in any factory or class of factories are such that no contravention of the provisions of Chapter IV is possible in the case of that factory or of factories of that class, as the case may be, the Local Government may, by notification in the local official *Gazette*, exempt, on such conditions, if any, as it may impose, that factory, or all factories of that class, as the case may be, from the provisions of this section ;

(*b*) where in the opinion of the inspector a muster roll or register kept in a factory gives the particulars required under this section, he may, by order in writing, direct that such muster roll or register shall be kept in place of the register prescribed under this section, and such muster roll or register shall thereupon, for all the purposes of this Act, be deemed to be the register so prescribed ;

(*c*) *the Local Government, in granting an exemption under Chapter V, may dispense with or modify any of the provisions of this section in such manner as may be necessary to enable advantage to be taken of the exemption ;*

(*d*) *if the Local Government is satisfied that in any factory, owing to the character of the work performed, it is unreasonable to require that the hours of work of any persons shall be fixed beforehand, it may, by order in writing, dispense with or modify any of the provisions of this section in such manner as it may deem to be necessary.*

52. *Record of employment of children.*—(1) The manager of every factory *in which children are employed* shall fix *periods of time, within the limits permitted by section* 34, for the *work* of *each child* employed and *shall record these* in a register in the prescribed form, giving the names of *the children,* the nature of their employment and *particulars of the certificates granted to them under section* 9 *or section* 10.

(2) There shall be affixed in some conspicuous place near the main entrance of every such factory in English and in the language of the majority of the operatives in such factory, a notice containing the following *particulars relating to the children employed :*—

(*a*) *where children are not employed in shifts,* the hours of beginning and ending *of each period of* work ;

(*b*) *where children are employed in shifts* the hours of beginning and ending *of each period of* work of each *such* shift ;

(*c*) the weekly holidays fixed under section 33.

(3) A copy of the said notice shall be sent in duplicate to the inspector within *fourteen days of the coming into force of this Act, or, if the factory does not employ children on that date before any children are employed.*

(4) *Any proposed change in the system of work in the factory which necessitates a change in the said notice shall be notified* by the manager to the inspector in duplicate *before the change is made and, except with the previous sanction of the inspector, no such change shall be made unless three months have elapsed from the preceding change.*

(5) *No child* shall be employed in any factory *otherwise than in conformity with the particulars entered in the register and the notice required by this section.*

53. *Record of employment of young persons.—Every person over the age of fifteen years and under the age of sixteen years who has not been certified as fit for adult employment shall be deemed to be a child for the purposes of sections* 51 *and* 52.

CHAPTER VII.—RULES.

54. *Power to make rules.*—Subject to the control of the Governor-General in Council, the Local Government may make rules to provide for—

(*a*) the inspection of factories ;

(*b*) the manner in which inspectors are to exercise the powers conferred on them by this Act ;

(*c*) the duties to be performed by certifying surgeons ;

(*d*) the form of the certificate prescribed by section 9, the grant of a duplicate in the event of loss of the original certificate, and the fee, if any, to be charged for such duplicate ;

(*e*) *standards of height to be attained by children seeking employment ;*

(*f*) the methods, including lime-washing, painting, varnishing and washing, to be adopted in order to secure cleanliness and freedom from effluvia ;

(*g*) the proportion which the number of cubic feet of space in any room shall bear to the number of persons employed at one time therein ;

(*h*) standards of ventilation and artificial humidification and the methods to be adopted in order to secure their observance ;

(*i*) standards of latrine and urinal accommodation ;

(*j*) standards of water-supply *and facilities for drinking and washing ;*

(*k*) *the provision and maintenance of shelters in accordance with section* 20 ;

(*l*) precautions against fire ;

(*m*) *the provision and maintenance of first-aid appliances ;*

(*n*) the parts of the machinery and electrical fittings to be kept fenced in accordance with section 24, sub-section (1), clause (*c*), and the provisions to be made for the protection from danger of persons employed in attending to the machinery, electrical fittings or boilers ;

(*o*) *the determination of the factories in respect of which certificates of stability are required under section* 26, *the form of the certificates and the qualifications of persons by whom they may be signed ;*

(*p*) *the provision and maintenance of rooms for children in accordance with section* 31 *and the care of children left in such rooms ;*

(*q*) the definition of 'persons' under section 43 who shall be deemed to be persons holding positions of supervision or management or persons employed in a confidential capacity ;

(*r*) *the regulation of mechanical transport within factories ;*

(*s*) the form of the notice prescribed by section 50, and the time within which and the authorities to whom it shall be sent ;

(*t*) the form of the registers and notices prescribed by sections 51 and 52 ;

(*u*) the abstracts of the Act and of the rules required by section 51 ;

(*v*) the procedure to be followed in presenting and hearing appeals under this Act, including the appointment and remuneration of assessors ;

(*w*) the manner of service of notices and orders upon occupiers or managers of factories ; and

(*x*) generally, for carrying out the purposes of this Act.

55. *Returns.*—The Governor-General in Council may make rules requiring occupiers or managers of factories to furnish (*a*) such returns, occasional or periodical, as may in his opinion be necessary for the effectual carrying out of this Act *and* (*b*) *annual returns relating to the wages paid in factories.*

56. *Rules for prevention of anthrax.*—The Governor-General in Council may make rules for the adequate disinfection of wool used in factories which may be infected with anthrax spores.

57. *Prior publication of rules.*—(1) The power to make rules conferred by section 54, except clauses (*s*), (*t*) and (*u*) thereof, and by sections 55 and 56 is subject to the condition of the rules being made after previous publication.

(2) The date to be specified in accordance with clause (3) of section 23 of the General Clauses Act, 1897, as that after which a draft of rules proposed to be made under sections 54, 55 and 56 will be taken into consideration, shall not be less than three months from the date on which the draft of the proposed rules was published for general information.

58. *Commencement of rules.*—Rules made under this Chapter shall be published in the local official *Gazette* or the *Gazette of India*, as the case may be, and shall thereupon have effect as if enacted in this Act.

Chapter VIII.—Penalties and Procedure.

59. *Penalties.*—(1) If in any factory—

(*a*) any person is employed or allowed to work contrary to any of the provisions of this Act ;

(*b*) any of the provisions of section 13 are not complied with ;

(*c*) latrine or urinal accommodation in accordance with the provisions of section 18 is not provided ;

(*d*) a supply of water for the persons employed is not maintained in accordance with the provisions of section 19 ;

(*e*) *adequate shelter is not provided for use during rest-periods in accordance with the provisions of section* 20 ;

(*f*) any door is constructed in contravention of section 21 ;

(*g*) any of the provisions of section 24, sub-section (1), (3) and (4), regarding fencing and the protection from danger of persons employed in attending to the machinery, electrical fittings or boilers are not complied with ;

(*h*) *any of the provisions of section* 26 *are not complied with ;*

(*i*) *a room is not maintained as required by section* 31 ;

(*j*) any order of an inspector under section 14, section 15, section 16, section 17, section 22, section 24, section 25, section 26 or section 28 is not complied with ;

(*k*) any of the provisions of section 51 or section 52 are not complied with ;

(*l*) any notice or return required by this Act or by rules made thereunder to be furnished is not furnished;

the occupier and manager shall be jointly and severally liable to a fine which may extend to five hundred rupees :

Provided that in cases where an appeal is allowed by section 70 no prosecution under clause (*j*) of this section shall be instituted until either the time prescribed by section 70 for the presentation of an appeal has expired or such appeal, if made, has been determined.

(2) *Where it is proved that any person committing an offence under any clause of sub-section* (1) *was within the two years preceding the offence convicted of one offence under the same clause of sub-section* (1), *he shall be punished with a fine of not less than one hundred rupees, and if during the two years preceding the offence he has been convicted of more than one such offence he shall be punished with a fine of not less than two hundred and fifty rupees ;*

Provided that the Court, if it is satisfied that there are exceptional circumstances warranting such a course, may, after recording its reasons in writing, impose a smaller fine than is required by this sub-section.

60. *Exemption of occupier or manager from liability in certain cases.*—(1) Where the occupier or manager of a factory is charged with an offence against this Act, he shall be entitled upon complaint duly made by him to have any other person whom he charges as the actual offender brought before the Court at the time appointed for hearing the charge ; and if, after the commission of the offence has been proved the occupier or manager of the factory proves to the satisfaction of the Court—

(*a*) that he has used due diligence to enforce the execution of this Act, and

(*b*) that the said other person committed the offence in question without his knowledge, consent or connivance,

that other person shall be convicted of the offence and shall be liable to the like fine as if he were the occupier or manager, and the occupier or manager shall be discharged from any liability under this Act.

(2) When it is made to appear to the satisfaction of the inspector at any time prior to the institution of the proceedings—

(*a*) that the occupier or manager of the factory has used all due diligence to enforce the execution of this Act, and

(*b*) by what person the offence has been committed, and

(*c*) that it has been committed without the knowledge, consent or connivance of the occupier or manager, and in contravention of his orders,

the inspector shall proceed against the person whom he believes to be the actual offender without first proceeding against the occupier or manager of the factory, and such person shall be liable to the like fine as if he were the occupier or manager.

61. *Penalties for certain offences.*—Any person who—

(*a*) wilfully obstructs an inspector in the exercise of any power under section 7, or fails to produce on demand by an inspector any registers of other documents kept in pursuance of this Act or the rules made thereunder, or conceals or prevents or attempts to prevent any person employed in a factory from appearing before or being examined by an inspector ;

(*b*) smokes, or uses a naked light, or causes or permits any such light to be used, in the immediate vicinity of any inflammable material in contravention of section 23 ; or

(*c*) does or omits to do any other act prohibited or prescribed by this Act or any order or rule made thereunder ;

shall be punishable with fine which may extend to five hundred rupees.

62. *Power of Court to pay compensation out of fine.*—Where under this Act a Criminal Court imposes a fine or confirms in appeal, revision or otherwise, a sentence of fine in respect of an offence causing bodily injury or death, the Court may, when passing judgment, order the whole or any part of the fine recovered to be paid as compensation to the person injured, or in the case of his death, to his legal representative.

Provided that, if the fine is imposed in a case which is subject to appeal, no such payment shall be made before the period allowed for presenting the appeal has elapsed, or if an appeal has been presented, before the decision of the appeal.

63. *Using false certificate.*—Any person who knowingly uses or attempts to use, as a certificate granted to himself under section 9 or section 10, a certificate granted to another person under either of those sections, or who, having procured such a certificate, knowingly allows it to be used, or an attempt to use it to be made, by another person, shall be punishable with fine which may extend to twenty rupees.

64. *Employment of children in two factories on the same day.*—Where a child is employed in any factory and such child has already been employed on the same day in any other factory, the parent or guardian or person having legal custody of or control over or direct benefit from the wages of the child shall be punished with fine, which may extend to twenty rupees, unless it appears to the Court that the offence was committed without the consent, connivance or wilful default of the parent, guardian, or such person as aforesaid.

65. *Limit to penalty in case of repetition of offence.*—A person shall not be liable in respect of a repetition of the same kind of offence from day to day to any larger amount of fines than the highest fine fixed by this Act for the offence, except—

(*a*) where the repetition of the offence occurs after a prosecution has been instituted in respect of the original offence, or

(*b*) where the offence is one of employing or allowing to be employed two or more persons contrary to the provisions of this Act.

66. *Presumption as to employment.*—If a child over the age of six years is found inside any room or part of a factory in which room or part children are employed and in which any manufacturing process is being carried on, he shall, until the contrary is proved, be deemed to be employed in the factory.

67. *Evidence as to age.*—(1) When an act or omission would, if a person were under or over a certain age, be an offence punishable under this Act, and such person is in the opinion of the Court apparently under or over such age, it shall be on the accused to prove that such person is not under or over such age.

(2) A declaration in writing by a certifying surgeon that he has personally examined a person employed in a factory and believes him to be under or over the age set forth in such declaration shall, for the purposes of this Act, be admissible as evidence of the age of that person.

68. *Cognizance of offences.*—(1) No prosecution under this Act, except a prosecution under section 61, clause (*b*), shall be instituted except by or with the previous sanction of the inspector.

(2) No Court inferior to that of a Presidency Magistrate or of a Magistrate of the first class shall try any offence against this Act or any rule or order thereunder, other than an offence against section 61, clause (*b*), or section 63.

69. *Limitation of prosecutions.*—No Court shall take cognizance of any offence against this Act or any rule or order thereunder, other than an offence under section 49, unless complaint thereof is made within six months of the date of which the offence is alleged to have been committed.

Chapter IX.—Supplemental Provisions.

70. *Appeals.*—(1) Any person on whom an order under section 14, section 15, section 16, section 17, section 22, section 24, section 25, section 26 or section 28 has been served may, within fourteen days from the date of service of the order, appeal against such order to the Local Government or to such authority as it may appoint in this behalf, who may confirm, modify or reverse any such order.

(2) In the case of any appeal under sub-section (1) the appellate authority may, and if so requested by the appellant in the petition of appeal shall, hear the appeal with the aid of two assessors, one of whom shall be appointed by the said authority and the other by such body representing the interest of the industry concerned as the Local Government may in this behalf prescribe :

Provided that if no assessor is appointed by such body within the prescribed period, or if the assessor so appointed fails to attend at the time and place fixed for the hearing of the appeal, the said authority may proceed to hear the appeal without the aid of such assessor, or, if it thinks fit, without the aid of any assessor.

(3) Except in the case of an appeal against an order under section 28 the appellate authority may, on the application of the appellant, suspend the operation of an order of the inspector pending the decision of the appeal. But where no such suspension has been granted, such order shall be complied with notwithstanding the fact that an appeal has been presented.

71. *Special provision regarding computation of time.*—(1) In respect of any area in which the hours of the day are not ordinarily reckoned according to local mean time, the times and hours referred to in section 2, sub-section (10), section 51 and section 52 shall be reckoned according to the standard of time ordinarily observed in such area.

(2) The Local Government may, by notification in the local official *Gazette*, direct that, for any specified area and during any specified months, for the morning and evening hours mentioned in section 34, clause (2), such one of the following sets of morning and evening hours, as it deems suitable, reckoned according to the standard of time ordinarily observed in such area, shall be substituted, namely :—

five o'clock in the morning and half past six o'clock in the evening ;

six o'clock in the morning and half past seven o'clock in the evening ;

half past six o'clock in the morning and eight o'clock in the evening ;

seven o'clock in the morning and half past eight o'clock in the evening.

72. *Computation of hours of employment.*—In computing the hours referred to in section 34, clause (3), section 38, section 39, section 40, section 41 and section 45, any *rest periods granted in accordance with section* 32 *and any other* interval by which work is interrupted for half an hour or more shall be excluded.

73. *Power to declare parts of a factory to be separate factories.*—The Local Government may, subject to the control of the Governor-General in Council, by special order in writing, direct, with respect to any factory or class of factories, that different branches or departments of work carried on in the same factory shall for all or any of the purposes of this Act be treated as if they were separate factories.

74. *Application to Crown factories.*—This Act shall apply to factories belonging to the Crown.

75. *Power to exempt from Act.*—In case of any public emergency, the Local Government may, by an order in writing, exempt any factory from this Act to such extent and during such period as it thinks fit.

76. *Exercise of power by Governor-General in Council.*—The Governor-General in Council may, if he thinks fit, exercise any power which is by this Act conferred upon the Local Government.

77. *Protection to persons acting under Act.*—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

78. *Repeals.—The whole of the Indian Factories Act,* 1911, *the Indian Factories (Amendment) Act,* 1922, *the Indian Factories (Amendment) Act,* 1923, *the Indian Factories (Amendment) Act,* 1926, *the Indian Factories (Amendment) Act,* 1931, *and the entry relating to the Indian Factories Act,* 1911, *in the First Schedule of the Repealing and Amending Act,* 1930, *are hereby repealed.*

THE SCHEDULE.

(*See Section* 29.)

PART I.

1. Work at a furnace where the reduction or treatment of zinc or lead ores is carried on :

2. The manipulation, treatment, or reduction of ashes containing lead, the desilverising of lead or the melting of scrap, lead or zinc :

3. The manufacture of solder or alloys containing more than ten per cent. of lead :

4. The manufacture of any oxide, carbonate, sulphate, chromate, acetate, nitrate, or silicate of lead :

5. Mixing or pasting in connection with the manufacture or repair of electric accumulators :

6. The cleaning of work-rooms where any of the processes aforesaid are carried on.

PART II.

1. Where dust or fume from a lead compound is produced in the process, provision must be made for drawing the fume or dust away from the persons employed by means of an efficient exhaust draught so contrived as to operate on the dust or fume as nearly as may be at its point of origin :

2. The persons employed must undergo the prescribed medical examination at the prescribed intervals, and the prescribed record must be kept with respect to their health :

3. No food, drink, or tobacco, shall be brought into, or consumed in, any room in which the process is carried on, and no person shall be allowed to remain in any such room during meal times :

4. Adequate protective clothing in a clean condition shall be provided by the employer and worn by the persons employed :

5. Such suitable cloak-room, mess-room and washing accommodation as may be prescribed shall be provided for the use of the persons employed :

6. The rooms in which the persons are employed, and all tools and apparatus used by them, shall be kept in a clean condition.

EXPLANATORY NOTES ON CLAUSES.

CHAPTER I.

Clause 1.—The date inserted in sub-clause (3) is provisional.

Clause 2 (3).—The existing definition does not make it clear when an establishment becomes a factory, i.e., whether on and from the date on which at least twenty persons are employed or with retrospective effect from the beginning of the calendar year in which this number is first employed. The draft attempts to put the matter on a clear basis.

The Commission have recommended (Recommendation 71) the omission of the word " simultaneously " here. This amendment is not included in the Bill as it would involve a small addition to the number of factories subject to the Act (*cf.* paragraph 3 of circular letter), but it might conveniently be examined in the present connection. The object of the recommendation is to include those factories which employ more than 20 persons but which at present escape regulation because the workers are divided into shifts. See also clause 4 where the same question arises.

Clause 2 (7).—The Commission have recommended that the law should establish separate standards according to the requirements of each case, for perennial and seasonal factories (Recommendations 53 and 54). This definition is intended to distinguish perennial from seasonal factories.

Clause 2 (9) *and Clause* 3.—The Commission further recommended that the Act should include specified classes of factories within the definition of seasonal factories, Local Governments being granted the power to add to or subtract from the " seasonal list " subject to their being satisfied that the factory is or is not, as the case may be, normally open on more than half the days in the year (Recommendation 57). This latter requirement is met by the provision in clause 3, 180 days' work in a year being taken as the normal dividing line between perennial and seasonal factories.

Clause 4.—*Cf.* clause (*b*) of present section 2 (3). Sub-clause (3) makes it clear that an establishment will cease to be under the Act when the number of operatives remains below the required strength for a whole year.

Clause 5.—*Cf.* existing section 3.

CHAPTER II.

Clauses 6-8.—*Cf.* existing sections 4-6.

Clause 9.—*Cf.* existing section 7. The Commission have reported that the certification of children has not been satisfactory in seasonal factories in rural areas ; their recommendation 66, which is embodied in the proviso, is designed to afford an additional safeguard.

Clauses 10 *and* 11.—*Cf.* existing sections 8 and 8A.

Clause 12.—The Commission state that an inspector who may have reason to suspect strongly that a person whom he finds working adult hours in a factory is a child has no power under the present law to stop that person from working. This clause embodies their recommendation 67.

CHAPTER III.

Clause 13.—*Cf.* existing section 9. Artificial humidification in certain cases while not actually injurious to health may cause serious discomfort to factory workers. It is doubtful whether existing section 9 (*d*) read with section 37 (2) (*g*) permits the regulation of such humidification. The amendment embodies the Commission's recommendation 28 (*b*).

Clause 14.—*Cf.* existing section 10.

Clause 15.—The problem of the control of temperature in factories has been exhaustively examined in recent years. (*Cf.* Report of Select Committee and debates in Legislature on the Factories Bill of 1924, Government of India's letter to Local Governments No. F. III-I/26-A.C., dated the 17th September 1926, and Factories Bill introduced in Legislative Assembly in 1926.) The clause [with clause 70 (3)] embodies the solution offered by the Commission in their recommendation 27.

Clauses 16-18.—*Cf.* existing sections 11-13.

Clause 19.—*Cf.* existing section 14, to which has been added a sub-section following the Commission's recommendation 35.

Clause 20.—The Commission at page 66 of their Report refer to the lack in many mills of suitable places for mid-day meals and to the consequent necessity placed on operatives or taking meals in all kinds of uncomfortable places. (*Cf.* their recommendation 37.)

Clause 21.—The words "the construction of which is commenced after the commencement of this Act" have been omitted from existing section 15. The Act has been in force for nearly twenty years and the saving afforded by these words is no longer necessary.

Clauses 22-25 (2).—*Cf.* existing sections 16-18A.

Clauses 25 (3) *and* 26.—The question of securing the safety of factory buildings was examined in detail in 1926 ; *cf.* Government of India's circular letter No. L.-1449, dated the 27th July 1926. These clauses are based on the Commission's recommendation 31. There is a minor variation from the Commission's recommendation in clause 26 (1), as the Commission suggested that the requirement of certificates of stability should apply automatically to the larger factories.

Clauses 27 *and* 28.—*Cf.* existing sections 19 and 19A.

Clause 29.—*Cf.* existing section 19B. The provisions contained in Part II of the existing schedule afford the minimum protection necessary to provide against lead poisoning and the amendment would extend them to men over 18 years of age, who are at present unprotected by the law.

Clause 30.—*Cf.* existing section 20.

Clause 31.—The clause seeks to give effect to the Commission's recommendations 36 and 64.

CHAPTER IV.

Clause 32.—Sub-clause (1) is a redraft of the existing section 21 (*a*), with a modification embodying the Commission's recommendation 14. The provision for children's intervals is omitted as suggested by the Commission (Report page 53) in view of the proposed reduction of children's hours. [See clause 34 (3).]

Sub-clause (2) introduces the principle of limiting "spreadover" for all adults, following the Commission's recommendation 15 (*a*). It also embodies the provision for prohibition of the night work of women at present contained in clause (*a*) of section 24 of the Act. The modifications here proposed in the permissible hours for women follow the Commission's recommendation 15 (*c*). The effect is in the words of the Commission "to extend from 13½ to 17 hours the period within which factories may employ women and to reduce from 13½ to 13 hours the period within which they may employ any individual woman." The amendment also brings the section into conformity with the International Labour Convention relating to night work for women. As regards the reference to persons under 16, see note on clause 35.

Sub-clause (2) of the present section 24 merely serves the purpose of securing women against being exempted from the provisions of section 28. The proviso which has been added to clause 44 will render this unnecessary and there is therefore no section in the Bill corresponding to the existing section 24.

Clause 33.—*Cf.* existing section 22.

Clause 34.—*Cf.* existing section 23. The amendment in clause (3) embodies the Commission's recommendation 18. Clause (4) embodies recommendation 15 (*d*) and is designed to ensure that children are not kept away from their homes for long periods. A minority of the Commission recommended an immediate raising of the minimum age to 13 and the reconsideration of the question after an interval of 5 years with a view to attaining an age of 14.

Clause 35, together with clause 32 (2), embodies the Commission's recommendation 20, relating to the work of persons between 15 and 16 years of age.

Clause 36.—The clause which is applicable only to seasonal factories is intended to be used only where a Local Government is satisfied that the other provisions of the Act relating to women's hours are being consistently evaded and cannot be enforced by ordinary means.

Clause 37.—*Cf.* existing section 25.

Clauses 38 *and* 39.—*Cf.* existing sections 27 and 28. These clauses, as the Bill stands at present, would apply in the first instance to seasonal factories and in the second instance to other factories exempted from clauses 40 and 41 only.

Clauses 40 *and* 41.—These have been discussed in detail in the covering letter.

Clause 42.—The clause embodies the Commission's recommendation 16 and is designed for the adequate control of overlapping shifts.

CHAPTER V.

Clause 43.—*Cf.* existing section 29. The amendments are consequential.

Clause 44.—*Cf.* section 30. Apart from renumbering and changes which are consequential on the introduction of clause 47 and proviso (*c*) to clause 51, the only amendment of substance is the introduction of the proviso. This replaces the existing section 24 (*b*) and, read with clauses 32 and 35, embodies the Commission's recommendations 15 (*c*) and 20 (*b*). The question whether the existing provision relating to exemptions cannot, to some extent, be restricted should, however, receive consideration ; see circular letter. The words " for such period as may be specified in the order and " are omitted in view of the insertion of clause 47.

Clause 45.—*Cf.* existing section 31. The changes introduced which embody the Commission's recommendation 21 are corollaries to the alterations made in the maximum limits of hours.

Clause 46.—*Cf.* existing section 32A. The changes are consequential.

Clause 47.—Embodies the important principle formulated by the Commission in their recommendation 22 (*b*).

Clause 48.—See covering letter.

CHAPTER VI.

Clauses 49 *and* 50.—*Cf.* existing sections 33 and 34.

Clauses 51 *and* 52.—In the present Act sections 26, 35 and 36 are designed mainly to serve the purpose of enabling the inspecting staff and others who may be concerned to satisfy themselves that the provisions of the Act relating to hours of employment and holidays are being observed. The sections have given some difficulty in both administration and interpretation and they have recently been the subject of considerable criticism from the Calcutta High Court. In the course of the judgment delivered in the case of the Superintendent and Remembrancer of Legal Affairs, Bengal, *versus* J. J. Andrews—Government Appeal No. 3 of 1931, the Court observed that section 26 does not indicate how the manager is to fix the specified hours and whether he must record them and, if so, when and how. With regard to section 36, the Court remarked that it is difficult to understand what the standing orders are and when and how they are given and what the meaning is of the different expressions used in this section to denote hours of work and employment. The Court also expressed the view that in certain circumstances an exemption granted from the provisions of section 28 must be held to carry with it an exemption from the provisions of section 26 though an exemption from the latter section is not permissible under section 30 (1) (*c*). The Court further expressed doubt regarding the effect on provisions of section 36 of exemptions granted from the provisions of hours of employment. Clauses 51 and 52 represent a redraft and rearrangement of the three sections referred to. Clause 52 is comparatively simple mainly because no exemption from the maximum hours of work is permissible in the case of children. Clause 51 deals with adults, and notes on the sub-clauses of this clause are appended :

Sub-clauses (1) *and* (5).—These embody the principle of the existing section 26, but make it clear that the periods entered in the register must conform to the provisions of the law.

Sub-clause (2).—This represents a simplification of the existing section 36 (1). The intention underlying the use of the varying phrases such as " time of beginning and ending work," " hours of beginning and ending work " and " hours of employment " in the existing section is obscure.

Sub-clause (3).—This is designed to replace section 36 (2) but the period allowed for sending the notice has been reduced. In view of the alterations in the notices, the sub-clause is made applicable both to existing and new factories.

Sub-clause (4).—This is designed to replace section 36 (3), but two changes have been made designed to secure for the inspectorate more effective control over hours of work. The provision whereby changes in the notice need not be sent until 36 hours after they have been in force facilitates evasion of the Act and there is no reason why such changes should not be notified as soon as they have been decided upon. In the second place, provision is made, on the lines of the British Factories and Workshops Act, for guarding against evasion by means of frequent changes in the hours.

Provisos (*a*) *and* (*b*).—These reproduce the existing provisos to section 35, but they are now made applicable to all the provisions relating to the recording of employment.

Proviso (*c*).—This is a new proviso designed to enable employers to secure the full advantage of any exemptions that may be given.

Proviso (*d*).—This is a new proviso designed to meet special difficulties which may arise in factories where hours cannot reasonably be fixed beforehand.

Clause 53.—This is consequential on the new clause 35.

CHAPTER VII.

Clause 54.—The existing clauses (1) and (2) of section 37 have been arranged more logically.

Sub-clauses (*e*), (*j*), (*k*), (*o*) *and* (*p*) are consequential on, respectively, the new provisions made in clauses 9 (1), 19 (2), 20, 26 and 31.

Sub-clause (*m*).—Some Local Governments have already made provision for the maintenance of first-aid appliances in larger factories under their existing rule-making powers which do not, however, specifically refer to such appliance. The legality of such provision is not therefore free from doubt. The Labour Commission recommended that in all factories employing 250 or more persons, the maintenance of first-aid boxes of prescribed standards should be demanded (Recommendation 34). It is proposed to grant this power generally without limiting the size of the factories to which it should apply and to leave to Local Governments the discretion of applying this provision in factories where it may be needed.

Sub-clause (*r*).—The Act does not give sufficient power to secure safety in connection with the working of railways within factories. The Tata Iron and Steel Works at Jamshedpur have over 100 miles of such railway lines and there are other factories with shorter lines. The Labour Commission recommended that the rule-making power should be extended to cover the working of means of transport within factories (Recommendation 30).

Clause 55.—*Cf.* existing section 38. The insertion of item (*b*) was recommended by the Labour Commission so as to make it possible to call for returns in respect of wages [Recommendation 334 (*c*)].

Clause 56.—*Cf.* existing section 38A.

Clause 57.—*Cf.* existing section 39. The amendments are consequential.

Clause 58.—*Cf.* existing section 40.

CHAPTER VIII.

Clause 59.—*Cf.* existing section 41. The Factories Act provides adequate penalties for offences and the scale of maximum fines was enhanced by the Legislature in 1922. But in the majority of the provinces there are numerous cases of inadequate fines, particularly for repeated offences ; not infrequently the fine is smaller than the profit made by the offender out of the offences. Unlike the British Law, the Indian Act contains no special provisions

relating to second offences and it seems, indeed, doubtful whether evidence of previous convictions can be led to enable the magistrate to be in possession of the offender's record under the Act. The Commission have therefore recommended that the law should be amended as in sub-clause (2) (Recommendation 51).

Clauses 60-65.—*Cf.* existing sections 42-45 in which only consequential renumbering has been done.

Clause 66.—The words " or work incidental to any manufacturing process," occurring in the existing section 46, are superfluous and have been omitted. [*Cf.* section 2 (2) (*d*).]

Clauses 67-69.—*Cf.* existing sections 47-49. The amendments made are consequential.

CHAPTER IX.

Clause 70.—*Cf.* existing section 50. In addition to the consequential amendments, an amendment of substance is the insertion here of clause 15 in order to provide, as recommended by the Commission, for an appeal against the order of an inspector relating to the cooling power of the atmosphere in a factory (Recommendation 27). An appeal is also provided against an order made under clause 26 (3).

Clauses 71-77.—*Cf.* sections 51-58. The amendments are consequential.

Copy of letter No. 1796/153, *dated the* 21*st September* 1932, *from the Association to the Collector of Bombay.*

Subject:—REVISION OF THE INDIAN FACTORIES ACT.

In accordance with a desire expressed in a letter No. 91734-D dated 27th June 1932, received from the Secretary to the Government of Bombay in the Political Department, I have pleasure in submitting the views of my Association on the draft Factories Bill which accompanied a letter dated 10th June 1932, from the Government of India to all Local Governments. The object of the Bill is apparently two-fold ; one purpose being to consolidate the existing law relating to factories, and the second to amend the law in the directions suggested by the Royal Commission on Labour.

On the desirability of a self-contained enactment incorporating the amendments which have hitherto been made in Factory legislation, my Committee's views coincide with those of the Government of India. In regard to the amendments incorporated as a result of the recommendations of the Royal Commission on Labour, the Government of India have stated that the inclusion of any particular provision in the Bill should not be taken as indicating that the Government of India approve the principle of the provision, and that the Bill has been designed primarily for the purpose of eliciting opinions. My Committee welcome this assurance by the Government of India that they are not committed to the principle of any particular amendment incorporated in the Bill, more particularly for the reason that the very large section of the Cotton Mill Industry represented by my Association is most reluctantly compelled to oppose the very important amendment relating to hours of work for adult employees in perennial factories, which the Bill seeks to introduce. My Committee, however, wish to make it perfectly clear that their opposition to a reduction in the length of the working week for adult employees is in no way dictated by a desire to retain a 60-hour working week in perpetuity. They would indeed welcome the reduction in working hours specified in the Bill, as far as the Cotton Mill Industry is concerned, provided similar hours of work were also enforceable in mills in Indian States, and some means could be devised whereby the consent of the workers themselves could be obtained to the new system which gives them the benefits of greater leisure, but which, at the outset, at any rate, would reduce their daily earnings.

What my Committee object to is that employers should be compelled by legislation to enforce a reform which the employees in many industries would not be willing to accept. As far as the Cotton Textile Industry of the country is concerned, my Committee are definitely of the opinion that a 54-hour week, which entailed even a temporary reduction in daily earnings, could not be put into operation except in the teeth of the strongest opposition from the workers, and to their mind, the important question for the Government of India to decide is whether there is any justification for asking employers to face the alternative of fighting a prolonged strike, or increasing their costs of production by raising wage rates so as to ensure to the workers something approaching their present earnings. Where, as in the case of the Textile Industry, particularly that of Bombay, wage rates are already relatively high, the financial position of the Industry and its competitive capacity *vis-a-vis* foreign manufacturers is such that the possibility of adopting any measure which would in any way increase costs is out of the question. As far as Indian industries in general are concerned, the Government of India have themselves admitted in the explanatory note attached to the Bill that they " doubt if employers in any substantial section of industry can at present grant an appreciable increase which is not earned by increased production, and if this is so, the possibility of avoiding dislocation by increasing wage rates cannot be seriously considered."

The argument used by the Royal Commission that a portion of the financial loss to operatives could be made up by greater concentration during the shorter working day, and lesser absenteeism, has received the serious attention of my Committee since the Whitley Commission Report was published, and their conclusion is that the loss in earnings by individual operatives could not readily be made up if a nine-hour day was substituted for the existing ten-hour day, unless schemes similar to the " efficiency schemes " discussed in the report of the Fawcett Committee of Enquiry, 1928, were generally introduced. The basis of those schemes was that the individual spinner should attend to a greater number of spindles, and that a weaver should look after more looms than at present for a substantially higher wage per day. As the Government of Bombay are well aware, the attempt to introduce these efficiency schemes in the Industry as a whole had to be given up after the prolonged strikes of 1928 and 1929, and my Committee are unaware of any change in the attitude of Bombay's labour force since that time, which would justify a further attempt being made to introduce what is commonly known as the " two-side and three-loom system." The savings in the total wage bills which can be effected by other methods is exceedingly small, for during the last seven or eight years of unprecedented depression every avenue of economy has been closely explored.

The question as to whether mills could make up their loss in production by a system of shifts and thus prevent a rise in the cost of overheads per unit of production is a minor matter compared with that of labour costs per unit of production. Where more than one mill is controlled by the same mill company, it might be possible to arrange for one mill in the group to work two shifts and the remainder one shift, but taking the Mill Industry as a whole, it would hardly be feasible to introduce a simple and workable system of shifts which would not considerably increase the total output of the Industry, and any substantial increase in production at the present time would make the problem of marketing that production in India even more difficult than it is to-day.

As regards the other amendments proposed to be made in the present Factory Act, my Committee find that while some of these amendments are unobjectionable, others are open to criticism, and I am directed to deal only with the latter. It has not been deemed necessary to refer in this letter to those amendments to which this Association does not wish to offer any opposition.

Clause 9 (*Standards of Heights*).—My Committee are at a loss to understand how height can by any means be taken as an indication of physical fitness or suitability for employment in a factory, and they are of the opinion that there is absolutely no need or justification for Provincial Governments to lay down standards of heights. Sufficient provisions have been made to prevent children who are physically unfit from being employed in factories, and the somewhat novel proposal that Provincial Governments should lay down standards of heights is uncalled for. My Committee, therefore, urge that this clause should be deleted.

Clause 13 (*Humidity*).—Section 9 of the present Act lays down *inter alia* that "the atmosphere shall not be rendered so humid by artificial means as to be injurious to the health of the persons employed therein." My Committee are opposed to the addition of the words "or to cause serious discomfort to them" to the existing proviso, as in their opinion, the words are too vague, and factories are likely to be put to serious inconvenience by factory inspectors being allowed to decide whether the atmosphere is so humid as to cause serious discomfort to operatives. In my Committee's opinion, in matters like this, definite standards capable of practical application should be laid down by Government, and it should not be left to the option of Factory Inspectors or individuals to say that the atmosphere in a particular factory is such as "to cause serious discomfort."

Clause 15 (*Temperature in Factories*).—It will be recalled that in 1925 and again in 1926 amendments were sought to be made in the Factory Act laying down that a "reasonable" temperature must be maintained in all factories. My Committee on these occasions expressed themselves as in accord with the principle of the proposed amendments, viz., that a standard should be laid down to regulate temperature in factories, but they were of the opinion that the only satisfactory solution was that Provincial Governments should not lay down any standards of temperature for particular factories without consulting the interests concerned. My Committee's views remain unchanged. They note that under the clause proposed to be now inserted, it is to be left to inspectors to decide whether the cooling power of the air in a factory is satisfactory or not, and whether the expense involved in carrying out measures for increasing the cooling power is reasonable or not. The best criticism on the proposed amendments will be perhaps found in the report of the Select Committee which examined the proposed amendment in 1925 and 1926, and as a result of which the Legislature rejected the amendment. Even the Government officers on the Select Committee who made a separate minute stated: "We recognize the force of the main criticism directed against clause 5 of the original Bill. There are obvious dangers in leaving it to inspectors to decide what constitutes a reasonable temperature." For these reasons, my Committee are opposed to the proposed amendment. They note that the order of the inspector is subject to appeal, but still they maintain that the new clause is likely to prove vexatious, and it is their considered opinion that no powers should be given to inspectors, but that standards should be laid down by Provincial Governments in consultation with associations representing particular industries.

Clause 19(2). (*Provision regarding Water*).—This clause is inserted in accordance with the recommendation of the Whitley Commission that for workers in dirty processes (e.g., tanneries) the provision of washing places and water should be made obligatory, and my Committee hold that it would be better if this clause were to specify the particular industries to which it is applicable.

Clause 20 (*Shelters*).—My Committee approve of the idea that there should be suitable sheds where the operatives might take their meals. They would, however, like to state for the information of Government that such sheds have been erected in certain mills, but are not utilized by operatives for the purpose for which they are intended, as the operatives are in the habit of taking their food in any place they like. In my Committee's opinion, there is no necessity for making it obligatory on factory owners to erect such sheds. It has also to be pointed out that in several mills there is no space available for them. It is submitted that in matters like this, a free hand should be given to factory owners, and they may be depended upon to do what is feasible for the comfort of the workmen: what my Committee are against is legislation enforcing such measures, and they trust that Government on careful consideration will recognize the advisability of dropping this clause.

Clause 31 (*Creches*).—The concluding remark in the above paragraph is also applicable in regard to this clause. Government are doubtless aware that creches have been extensively introduced in the cotton mills of Bombay Presidency, and my Committee apprehend that if creches are to be made compulsory by legislation, there would be a marked deterioration from the high type of creches now maintained by mills. The clause as it stands is very bald, and it makes no suggestion regarding supervision of creches, etc., and my Committee believe that the progress made in welfare work so far would meet with a serious set-back if legislation was to be enacted for enforcing such things as creches, etc. My Committee wish to emphasise

that much better and more satisfactory progress can be made in welfare work by voluntary efforts than by legislation, and my Committee on these grounds are opposed to this clause. It will moreover be generally agreed that if it is the function of an outside agency to provide facilities for workers' children, it is a responsibility which must be shouldered by the local municipalities or the State, and it is difficult to see how, in justice, it can be foisted on employers. Those employers who have voluntarily spent and are spending large sums for the upkeep of creches would resent, as a matter of principle, intervention by Government, and the eventual result of such legislation would be to defeat the very object for which the legislation is introduced. On all these grounds my Committee strongly recommend the deletion of this clause.

Clause 32(2) (*Rest periods and spread over*).—My Committee hold that the clause with its proviso regarding the period of 11 hours during which an operative must compulsorily be away from work is likely to prove obstructive if systems of interlocking shifts similar to those of the Jute Mill Industry ever become popular in other industries, and in their opinion, no such restriction is necessary in the case of adult males. My Committee suggest that the period of 11 hours should be reduced to 8 hours in the case of adult males. This will ensure night rest to male operatives which is essential for their health, and would also permit adequate hours of rest during the day.

Clause 48 (*Maximum limits to overtime*).—My Committee hold that no case has been made out by the Government of India for the insertion of this clause in the Bill. Even the Whitley Commission do not appear to have made any such recommendation. Overtime is resorted to only in exceptional circumstances and higher rates of wages have to be paid for it, and my Committee trust Government on reconsideration will recognize the inadvisability of putting any restrictions as to overtime working, at least so far as adult males are concerned. My Committee are pleased to note that Government recognize the undesirability of an absolute daily limit in overtime worked by men, and they maintain there is likewise no necessity of fixing a limit to the extension of weekly hours.

Clauses 51 *and* 52 (*Notices and Registers*).—My Committee note that sections 25, 35 and 36 of the existing Act are in the opinion of High Courts not satisfactorily drafted, and a redraft of the three sections has, therefore, been attempted in clauses 51 and 52 of the new Bill. If it had merely been a question of redrafting and rearranging of the existing sections, my Committee would not have raised any objection, but they find that while under the present Act a copy of the alterations in the Notice and Standing Orders is to be sent to the inspector within thirty-six hours, and his permission for alterations is not required, it is now proposed under the new clauses that the inspector's permission should be obtained and a copy of the Notice should be sent to him *before* the change is made. It is further noted that when an alteration is once made, factories are to be debarred from making further alterations for a period of three months.

My Committee maintain that the proposed alterations are most objectionable and even impracticable. Circumstances may arise after an alteration in the standing orders to justify a further alteration, and it would be unreasonable to expect factory owners to wait for three months before making a fresh alteration. Except as regards standing orders dealing with such matters as hours of work, etc., my Committee fail to see why factory inspectors should be made judges of the desirability or otherwise of the different rules which make up the standing orders. The amendment, in my Committee's opinion, is altogether misconceived and they desire emphatically to impress upon Government the desirability of maintaining the *status quo* as regards notifying the factory inspectors regarding standing orders.

Clause 54 (*First-Aid Appliances*).—My Committee note that Local Governments are to be empowered to make rules *inter alia* regarding the provision and maintenance of first-aid appliances. I am directed to state that in most of the textile mills, medical dispensaries are maintained and these dispensaries are attended by a whole-time compounder and a whole or part-time doctor who give first-aid assistance in case of accidents, and it would, therefore, appear to be unnecessary to frame rules regarding the provision and maintenance of first-aid boxes. A European lady with considerable practical experience of welfare work in

England has been employed by the Association to give member mills the benefit of her experience and guidance and she has pointed out that sometimes First-Aid boxes are likely to constitute a definite danger unless under qualified supervision, for they may be made the excuse for not taking proper medical advice, and the perfunctory attention given might lead to complications afterwards. This is a point worth consideration by Government. My Committee would further invite the attention of Government to the extract* attached hereto from the Excerpts of the meetings of the Committee of the Association for July, as it will give an idea of the progress made in regard to first-aid by the voluntary efforts of some members of the Association. In this matter also, my Committee maintain that Government would be well advised not to legislate in view of the progress made on a voluntary basis.

Clause 55 (*Returns*).—My Committee note that it is proposed to empower the Governor General in Council to make rules requiring managers to furnish annual returns relating to the wages paid in factories. Unless it is definitely laid down what particulars employers are expected to give, my Committee feel that they must oppose this provision which gives unnecessarily wide powers to Government. So far as the cotton mills in Bombay are concerned, this Association has given every facility to the Director of Labour in preparing a wage-census on three different occasions, and my Committee have little doubt that other leading industrial associations would likewise offer friendly co-operation to Government officers in compiling statistics and information regarding wages paid in those industries. In this way, far more useful information might be gathered than merely calling upon factories to furnish annual returns regarding wages. My Committee are strongly opposed to the insertion of this new and vaguely-worded clause in the Factory Act.

Copy of letter No. 1990/153, *dated* 17*th October* 1932, *from the Association to the Secretary to the Government of Bombay, General Department.*

Subject:—Revision of the Indian Factories Act.

I have the honour to enclose a copy of a letter addressed to the Collector of Bombay, outlining the views of the Millowners' Association on the provisions of the draft Factory Bill circulated with the Government of India's letter dated the 10th June 1932, to all Local Governments.

By far the most important clause in that Bill, in so far as the Cotton Textile Industry is concerned, is that which provides for the institution of a 54-hour week in replacement of the present working week of 60 hours, and it is the desire of my Committee that the Government of Bombay's attention should be specially drawn to the objections which my Association has put forward against the proposed change. While willing to adopt a shorter working week which would not involve a higher labour expense per pound of cloth or yarn produced, my Committee are satisfied that in Bombay City, and Island, at any rate,—and probably in many other centres of production also—the workers would not be prepared to make any sacrifice in their earnings. This being the case, the reform anticipated in the Bill could not very well be enforced without prolonged and bitter strife between employers and employees, since it is well-known that the Cotton Mill Industry cannot at present afford to pay higher wage rates. The great losses which the Industry in the City and Island has had to bear during the last decade owing to labour troubles and foreign competition is well known to the Government of Bombay, and my Committee would urge the Government of Bombay, to oppose the proposed reduction in the length of the working week, unless they are convinced that a reduction in hours accompanied by a corresponding reduction in earnings would be acceptable to the workers themselves.

My Committee are convinced that it is only by the maintenance of peaceful conditions that the prosperity of the Cotton Textile Industry of this country, and particularly of this Presidency, can be rehabilitated, and they trust Government will agree with this view, and impress on the Government of India the undesirability of proceeding further with the proposal to establish a shorter working week in cotton mills in British India.

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* Not printed.

APPENDIX 9.

EXEMPTIONS UNDER THE INDIAN FACTORIES ACT.

Copy of letter No. 1511, *dated 4th June* 1932, *from the Chief Inspector of Factories, Bombay Presidency, to the Association.*

Subject :—CURTAILMENT OF EXEMPTIONS UNDER THE FACTORIES ACT.

I have the honour to state that the Governing Body of the International Labour Office recently passed a resolution on unemployment, the terms of which have been communicated to the industrial organizations in the Bombay Presidency by the Director, Labour Intelligence.

2. In connection with this, I have been asked to review the exemptions granted under the Factories Act that have the effect of permitting the employment of individual workers for hours exceeding the ordinary limits laid down in the Act, viz., 11 a day and 60 a week, with a view to reduce such cases to a minimum.

3. The problem of exemptions has been discussed on several occasions with your Committee and a revision of the exemptions for the engine and boiler staffs was notified in Government Notification No. 7261, dated 13th February 1931. With the Factories Act as at present framed and in view of the technical difficulties involved, it does not appear feasible to make any change in this notification.

4. In 1923, however, a fairly wide exemption was given to work performed by oilers and to work done in the mechanics shops, etc., of factories. It was intended that the latter should include ordinary maintenance work necessary to keep a factory efficiently working.

5. The exemption has not been utilized to any great extent in the textile industry and there appears to be no objection to recommending its cancellation. There is of course a difference between ordinary maintenance work and work on urgent repairs. The latter is specially exempted under section 30(3) of the Act and conditions have been prescribed in Rule 79. To exercise the requisite control, the mills send monthly statements regarding overtime on urgent repairs. Where this appears to be excessive, the matter is enquired into and reductions made where possible and practicable.

6. A copy* of the notification that itis proposed to recommend for cancellation, viz., No. 3224(*b*) ; G. D., dated 10th July 1923, is forwarded and I should be pleased if you would place the matter before your Committee and inform me whether there are any objections to the course proposed.

Copy of letter No. 1354/140, *dated 20th July* 1932, *form the Association to the Chief Inspector of Factories, Bombay.*

Subject :—CURTAILMENT OF EXEMPTIONS UNDER THE FACTORIES ACT.

I am directed to refer to your letter No. 1511 dated 4th June, regarding curtailment of exemptions under the Factories Act, and to say that my Committee have no objection to the proposed cancellation of the exemptions hitherto given to oilers and to work in mills' mechanic shops from the provisions of Sections 27 and 28 of the Act, as it would appear that they have not been availed of to any appreciable extent by mills. My Committee note, however, that work on urgent repairs in the mechanics' shops will continue to be specially exempted under Section 30(3) of the Act.

* Not printed.

APPENDIX 10.

LICENSING OF GINS AND PRESSES.

Copy of Circular No. 3450, *dated 9th March* 1932, *from the Indian Central Cotton Committee, Bombay, to the Association.*

Subject :—LICENSING OF COTTON GINNING AND PRESSING FACTORIES.

The working of the Cotton Ginning and Pressing Factories Act recently received a certain amount of criticism, which mostly emanated from two bodies of the trade in Bombay. When the subject came before the last meeting of my Committee in December, there seemed to be a general feeling that much of the adverse criticism would disappear if the Act were tightened up and this could best be done by the system of licensing of all ginneries and presses working in British India.

It will be seen from the short history of the case which I attach* that the Central Cotton Committee has all along been in favour of licensing and that it included in its draft bill a clause to this effect which was however omitted by the Government of India because it was feared its retention would endanger the passing of the Bill. The question of licensing, it was then decided, could be taken up later if it was found necessary. Since the passing of the Act in 1925 to the present day, every possible avenue has been explored by this Committee to find a means of checking the mixing of different varieties of cotton especially in the Punjab but the Act at present has and can have no effect on this malpractice and the licensing of factories would appear to be the only cure for this as well as for other evils unfortunately so common in India.

At a recent meeting, one of my Sub-Committees decided that the considered views of the Trade Associations represented on the Central Cotton Committee should be obtained to help it in coming to a decision and I have the honour, therefore, to request you to place this letter before your Association and favour me with their views. My Committee is aware that the time may be inopportune to ask for fresh legislation owing to the impending political changes in India, but it feels that the earliest opportunity should be taken to recommend measures which have as their object the protection of the cotton cultivator from losses caused by a small section of the trade.

Copy of letter No. 780/115, *dated 20th April* 1932, *from the Association to the Indian Central Cotton Committee, Bombay.*

Subject :—LICENSING OF COTTON GINNING AND PRESSING FACTORIES.

I am directed to acknowledge your letter No. 3450 dated the 9th March 1932, inviting the Association to favour your Committee with its views on the need of having all-India legislation for the compulsory licensing of cotton gins and presses throughout the country.

My Committee have always been in favour of some sort of licensing of gins and presses as a means of checking the growth of the evils of mixing and watering of raw cotton, and had recommended the grant of special powers to Local Governments, under the Cotton Ginning and Pressing Factories Act, to introduce a system of licensing if they were satisfied that it was necessary.

My Committee are now convinced that the malpractices complained of cannot be prevented unless and until cotton gins and presses all over the country are compelled by law to take out licenses. That would appear to offer the most practical approach to a solution of the problem. If these evils, which are to be traced in most cases to ginneries, are to be checked and the grower of cotton assured of a fair return for his crop, it now seems essential that the legislation contemplated should have effect throughout India instead of being made applicable to particular provinces.

* Not printed.

APPENDIX 11.

AMENDMENT OF THE WORKMEN'S COMPENSATION ACT.

Copy of letter No. 836, *dated* 19*th March* 1932, *from the Director of Information and Labour Intelligence (Labour Office), Bombay, to the Association.*

Subject :—A BILL FURTHER TO AMEND THE WORKMEN'S COMPENSATION ACT, 1923.

I am directed by Government to forward herewith for your information a copy of the Government of India, Legislative Assembly Department, letter No. F-112-1-32/A dated the 11th March 1932 with its enclosures on the above subject, and to request you to furnish this office with the views of your Association on the provisions of the Bill.

2. I shall be glad if you will kindly arrange to send in your reply at an early date, at any rate not later than the 15*th May* 1932.

Copy of letter No. F-112-1/32-*A, dated* 11*th March* 1932, *from the Secretary to the Government of India, Legislative Assembly Department, New Delhi, to the Secretary to the Government of Bombay, Legal Department,.*

Subject :—THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

With reference to the Debates of the Legislative Assembly of the 22nd February 1932, I am directed to forward herewith copies of the papers noted on the margin and to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected organizations of employers and of workers, officers and other persons as the Governor in Council may think fit to consult on the subject.

1. Bill as introduced with Statement of Objects and Reasons.

2. Extract from Legislative Asssembly Debates, dated the 22nd February 1932, regarding the Bill.

2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in duplicate by the 15th June 1932.

A Bill further to amend the Workmen's Compensation Act, 1923.

WHEREAS it is expedient further to amend the Workmen's Compensation, Act 1923 ; It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Workmen's Compensation (Amendment) Act, 1932.

2. *Amendment of section* 2, *Act VIII of* 1923.—In section 2 of the Workmen's Compensation Act, 1923 (hereinafter referred to as the said Act),—

(*a*) in sub-section (1),—

(*i*) in clause (*d*), after the word " unmarried," in both places where it occurs, the words " or widowed " shall be inserted,

(*ii*) in clause (*j*), for the words " three hundred " the word " fifty " shall be substituted, and the words " , or any inland steam-vessel as defined in section 2 of the Inland Steam Vessels Act, 1917, of a registered tonnage of not less than one hundred tons " shall be omitted, and

(*iii*) in sub-clause (ii) of clause (*n*), the words " , either by way of manual labour or " shall be omitted ;

(*b*) for sub-section (3), the following sub-section shall be substituted, namely :—

" (3) The Governor-General in Council, after giving, by notification in the *Gazette of India*, not less than three months' notice of his intention so to do, may, by a like notification, add to Schedule II persons or any class of persons employed in any occupation which he is satisfied is a hazardous occupation, and the provisions of this Act shall thereupon apply to such persons or classes of persons :

Provided that in making such addition the Governor-General in Council may direct that the provisions of this Act shall apply to such persons or classes of persons in respect of specified injuries only."

3. *Amendment of section* 3, *Act VIII of* 1923.—In section 3 of the said Act,—

(*a*) in sub-section (1),—

(*i*) in proviso (*a*), for the word " ten " the word " seven " shall be substituted, and

(*ii*) in proviso (*b*), for the words " injury to a workman resulting from " the words " injury, not resulting in death, caused by " shall be substituted ; and

(*b*) in sub-section (4), the words " solely and " shall be omitted.

4. *Amendment of section* 4, *Act VIII of* 1923.—For sub-section (1) of section 4 of the said Act, the following sub-section shall be substituted, namely :—

Amount of compensation.—" (1) Subject to the provisions of this Act, the amount of compensation shall be as follows, namely :—

A. Where death results from the injury—

(*i*) in the case of an adult in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the second column thereof, and

(*ii*) in the case of a minor—two hundred rupees ;

B. Where permanent total disablement results from the injury—

(*i*) in the case of an adult in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the third column thereof, and

(*ii*) in the case of a minor in receipt of monthly wages falling within limits shown in the first column of Schedule IV—the amount shown against such limits in the fourth column thereof ;

C. Where permanent partial disablement results from the injury—

(*i*) in the case of an injury specified in Schedule I, such percentage of the compensation which would have been payable in the case of permanent total disablement as is specified therein as being the percentage of the loss of earning capacity caused by that injury, and

(*ii*) in the case of an injury not specified in Schedule I, such percentage of the compensation payable in the case of permanent total disablement as is proportionate to the loss of earning capacity permanently caused by the injury ;

Explanation.—Where more injuries than one are caused by the same accident, the amount of compensation payable under this head shall be aggregated but not so in any case as to exceed the amount which would have been payable if permanent total disablement had resulted from the injuries ;

D. Where temporary disablement, whether total or partial, results from the injury a half-monthly payment payable on the sixteenth day after the expiry of a waiting period of seven days from the date of the disablement, and thereafter half-monthly during the disablement or during a period of five years, whichever period is shorter,—

(*i*) in the case of an adult in receipt of monthly wages falling within limits shown in the first column of Schedule IV—of the sum shown against such limits in the fourth column thereof, and

(*ii*) in the case of a minor—of one-half of his monthly wages, subject to a maximum of thirty rupees:

Provided that—

(*a*) there shall be deducted from any lump sum or half-monthly payments to which the workman is entitled the amount of any payment or allowance which the workman has received from the employer by way of compensation during the period of disablement prior to the receipt of such lump sum or of the first half-monthly payment, as the case may be : and

(*b*) no half-monthly payment shall in any case exceed the amount, if any, by which half the amount of the monthly wages of the workman before the accident exceeds half the amount of such wages which he is earning after the accident."

5. *Amendment of section* 5, *Act VIII of* 1923.—In section 5 of the said Act,—

(*a*) in sub-section (1),—

(*i*) for the word and figure "section 4" the words "this Act" shall be substituted,

(*ii*) after clause (*a*) the following clause shall be inserted, namely :—

"(*b*) where the whole of the continuous period of service immediately preceding the accident during which the workman was in the service of the employer who is liable to pay the compensation was less than one month, the monthly wages of the workman shall be deemed to be the average monthly amount which, during the twelve months immediately preceding the accident, was being earned by a workman employed on the same work by the same employer, or, if there was no workman so employed, by a workman employed on similar work in the same locality ;"

(*iii*) clause (*b*) shall be re-lettered as clause (*c*), and

(*iv*) the proviso shall be omitted ; and

(*b*) sub-section (2) shall be omitted.

6. *Amendment of section* 8, *Act VIII of* 1923.—In section 8 of the said Act,—

(*a*) for the proviso to sub-section (1) the following shall be substituted, namely :—

" Provided that, in the case of a deceased workman, an employer may make to any dependant advances on account of compensation not exceeding an aggregate of one hundred rupees, and so much of such aggregate as does not exceed the compensation payable to that dependant shall be deducted by the Commissioner from such compensation and repaid to the employer." ; and

(*b*) in sub-section (4),—

(*i*) for the words " may deduct " the words " shall deduct " shall be substituted, and

(*ii*) for the words " fifty rupees or so much of that cost or of fifty rupees, whichever is less, as has not already been advanced by the employer on account of such expenses " the words " twenty-five rupees " shall be substituted.

7. *Amendment of section* 10, *Act VIII of* 1923.—In section 10 of the said Act,—

(*a*) in sub-section (1), after the first proviso the following proviso shall be inserted namely :—

" Provided further that the want of or any defect or irregularity in a notice shall not be a bar to the maintenance of proceedings—

(*a*) if the claim is made in respect of the death of a workman resulting from an accident which occurred on the premises of the employer, or at any place where the workman at the time of the accident was working under the control of the employer or of any person employed by him, and the workman died on such premises or at such place, or on any premises belonging to the employer, or died without having left the vicinity of the premises or place where the accident occurred, or

(*b*) if the employer had knowledge of the accident from any other source at or about the time when it occurred : " and

(*b*) for sub-section (3) the following sub-sections shall be substituted, namely :—

" (3) The Local Government may require that any prescribed class of employers shall maintain at their premises at which workmen are employed a notice book, in the prescribed form, which shall be readily accessible at all reasonable times to any injured workman employed on the premises and to any person acting *bona fide* on his behalf.

(4) A notice under this section may be served by delivering it at, or sending it by registered post addressed to, the residence or any office or place of business of the person on whom it is to be served, or, where a notice book is maintained, by entry in the notice book.

8. *Insertion of new sections* 10*A and* 10*B in Act VIII of* 1923.—After section 10 of the said Act the following sections shall be inserted, namely :—

" 10*A*. *Power to require from employers statements regarding fatal accidents.*—(1) Where a Commissioner receives information from any source that a workman has died as a result of an accident arising out of and in the course of his employment, he may send by registered post a notice to the workman's employer requiring him to submit within ten days of the service of the notice, a statement, in the

prescribed form, giving the circumstances attending the death of the workman, and indicating whether, in the opinion of the employer, he is or is not liable to deposit compensation on account of the death.

(2) If the employer is of opinion that he is liable to deposit compensation, he shall make the deposit within ten days of the service of the notice.

(3) If the employer is of opinion that he is not liable to deposit compensation, he shall in his statement indicate the grounds on which he disclaims liability.

(4) Where the employer has so disclaimed liability, the Commissioner, after such inquiry as he may think fit, may inform any of the dependants of the deceased workman that it is open to the dependants to prefer a claim for compensation, and may give them such other further information as he may think fit.

10*B*. *Reports of fatal accidents.*—(1) Where, by any law for the time being in force, notice is required to be given to any authority, by or on behalf of an employer, of any accident resulting in death which occurs on his premises, the person required to give the notice shall, within seven days of the accident, send a report to the Commissioner giving the circumstances attending the death.

(2) The Local Government may, by notification in the local official *Gazette*, extend the provisions of sub-section (1) to any class of premises other than those coming within the scope of that sub-section, and may, by such notification, specify the persons who shall send the report to the Commissioner."

9. *Amendment of section* 12, *Act VIII of* 1923.—In sub-section (2) of section 12 of the said Act, after the words "the contractor" the words ", or any other person from whom the workman could have recovered compensation," shall be inserted.

10. *Insertion of new section* 18*A in Act VIII of* 1923.—In Chapter II and after section 18 of the said Act, the following section shall be inserted, namely :—

"18A. *Penalties.*—Whoever—

(*a*) fails to maintain a notice-book which he is required to maintain under sub-section (3) of section 10, or

(*b*) fails to send to the Commissioner a statement which he is required to send under sub-section (1) of section 10A, or

(*c*) fails to send to the Commissioner a report of an accident which he is required to send under section 10B, or

(*d*) fails to make any return which he is required to make under section 16,

shall be punishable with fine which may extend to one hundred rupees."

11. *Amendment of section* 19, *Act VIII of* 1923.—In sub-section (1) of section 19 of the said Act, for the words "the Commissioner" the words "a Commissioner" shall be substituted.

12. *Amendment of section* 20, *Act VIII of* 1923.—In section 20 of the said Act,—

(*a*) after sub-section (1) the following sub-section shall be inserted, namely :—

"(2) Where more than one Commissioner has been appointed for any local area, the Local Government may, by general or special order, regulate the distribution of business between them"; and

(*b*) sub-sections (2) and (3) shall be renumbered as sub-sections (3) and (4).

13. *Amendment of section* 21, *Act VIII of* 1923.—In section 21 of the said Act,—

(*a*) in sub-section (1), for the words " the Commissioner," in both places where they occur, the words " a Commissioner " shall be substituted, and

(*b*) after sub-section (4) the following sub-section shall be inserted, namely :—

" (5) The Local Government may transfer any matter from any Commissioner appointed by it to any other Commissioner appointed by it."

14. *Amendment of section* 22, *Act VIII of* 1923.—In section 22 of the said Act,—

(*a*) in sub-section (1), after the word " Commissioner," the words " , other than an application by a dependant or dependants for compensation," shall be inserted ; and

(*b*) in sub-section (2),—

(*i*) for the words " Where any such question has arisen, the application " the words " An application to a Commissioner " shall be substituted, and

(*ii*) in clause (*d*), after the brackets and letter " (*d*) ", the words " except in the case of an application by dependants for compensation," shall be inserted.

15. *Insertion of new section* 22*A in Act VIII of* 1923.—After section 22 of the said Act, the following section shall be inserted, namely :—

" 22A. *Power of Commissioner to require further deposit in cases of fatal accident.*— (1) Where any sum has been deposited by an employer as compensation payable in respect of a workman whose injury has resulted in death, and in the opinion of the Commissioner such sum is insufficient, the Commissioner may, by notice in writing stating his reasons, call upon the employer to show cause why he should not make a further deposit within such time as may be stated in the notice.

(2) If the employer fails to show cause to the satisfaction of the Commissioner, the Commissioner may make an award determining the total amount payable, and requiring the employer to deposit the deficiency."

16. *Amendment of section* 30, *Act VIII of* 1923.—To sub-section (1) of section 30 of the said Act, after the existing provisos, the following further proviso shall be added, namely :—

" Provided further that no appeal by an employer under clause (*a*) shall lie unless the memorandum of appeal is accompanied by a certificate by the Commissioner to the effect that the appellant has deposited with him not less than one-tenth of the amount payable under the order appealed against or one hundred rupees, whichever is less."

17. *Insertion of new section* 30*A in Act VIII of* 1923.—After section 30 of the said Act the following section shall be inserted, namely :—

" 30A. *Withholding of certain payments pending decision of appeal.*—Where an employer makes an appeal under clause (*a*) of sub-section (1) of section 30, the Commissioner may, and if so directed by the High Court shall, pending the decision of the appeal, withhold payment of any sum in deposit with him :

Provided that the Commissioner may distribute, in such manner as he may think fit, out of any sum in deposit with him, a sum not exceeding one-tenth of the sum payable under his order, or one hundred rupees, whichever is less, among persons entitled under his order to receive compensation who, in his opinion, are unable to support themselves, and in the event of the appeal being successful such sum shall not be recoverable by the employer."

18. *Amendment of section* 33, *Act VIII of* 1923.—In section 33 of the said Act,—

(*i*) in clause (*c*), the word "and," in the second place where it occurs, shall be omitted ;

(*ii*) after clause (*c*) the following clauses shall be inserted, namely :—

"(*d*) for prescribing the classes of employers who shall maintain notice-books under sub-section (3) of section 10, and the form of such notice-books ;

(*e*) for prescribing the form of statement to be submitted by employers under section 10A ; and" ; and

(*iii*) clause (*d*) shall be re-lettered as clause (*f*).

19. *Insertion of new section* 35 *in Act VIII of* 1923.—After section 34 of the said Act, the following section shall be inserted, namely :—

"35. *Rules to give effect to reciprocal arrangements with other parts of His Majesty's Dominions for the transfer of money paid as compensation.*—Where the Governor-General in Council has entered into an arrangement with any part of His Majesty's Dominions whereby sums awarded under this Act may be transferred to and administered by a competent authority in such part and sums awarded under the law relating to workmen's compensation in such part may be transferred to and administered by a competent authority in British India, the Governor-General in Council may, by notification in the *Gazette of India*, make rules in pursuance of such arrangement—

(*a*) for the transfer to such part of money paid to a Commissioner under this Act, which is money applicable for the benefit of any person residing or about to reside in such part, and

(*b*) for the receipt and administration in British India of any money awarded under the law relating to workmen's compensation in such part, which has been transferred to British India, and is money applicable for the benefit of any person residing or about to reside in British India."

20. *Amendment of Schedule II, Act VIII of* 1923.—In Schedule II to the said Act, for clauses (*i*) to (*xiii*), the following clauses and explanation shall be substituted, namely :

"(*i*) employed, otherwise than in a clerical capacity or on a railway, in connection with the operation or maintenance of mechanically propelled vehicles used for the carriage of passengers for hire, or for industrial or commercial purposes ; or

(*ii*) employed, otherwise than in a clerical capacity, in any premises wherein, or within the precincts whereof, on any one day of the preceding twelve months, ten or more persons have been employed in any manufacturing process, as defined in clause (4) of section 2 of the Indian Factories Act, 1911, or in any kind of work whatsoever incidental to or connected with any such manufacturing process or with the article made, and steam, water or other mechanical power or electrical power is used ; or

(*iii*) employed, otherwise than in a clerical capacity, in any premises wherein, or within the precincts whereof, on any one day of the preceding twelve months, fifty or more persons have been employed in any manufacturing process, as defined in clause (4) of section 2 of the Indian Factories Act, 1911, or in any kind of work whatsoever incidental to or connected with any such manufacturing process or with the article made ; or

(*iv*) employed, in any mine as defined in clause (*f*) of section 3 of the Indian Mines Act, 1923, in any mining operation, or in any kind of work, other than clerical work, incidental to or connected with any mining operation or with the mineral obtained, or in any kind of work whatsoever below ground :

Provided that any excavation in which on no day of the preceding twelve months more than fifty persons have been employed or explosives have been used, and whose depth from its highest to its lowest point does not exceed twenty feet shall be deemed not to be a mine for the purpose of this clause ; or

(*v*) employed as the master of a registered ship or as a seaman ; or

(*vi*) employed for the purpose of loading, unloading, fuelling, constructing, repairing, demolishing, cleaning or painting any ship of which he is not the master or a member of the crew, or in the handling or transport on land within the limits of any port subject to the Indian Ports Act, 1908, of goods which have been discharged from or are to be loaded into any vessel ; or

(*vii*) employed in the construction, repair or demolition of—

(*a*) any building which is designed to be or is or has been more than one storey in height above the ground or twenty feet or more from the ground level to the apex of the roof, or

(*b*) any dam or embankment which is twenty feet or more in height from its lowest to its highest point, or

(*c*) any canal, pipe line, public road, public bridge, ærial ropeway or tunnel ; or

(*viii*) employed in setting up, repairing, maintaining, or taking down any telegraph or telephone line or post or any over-head electric line or cable or post or standard for the same ; or

(*ix*) employed in the construction, repair, inspection, upkeep or demolition of any underground sewer ; or

(*x*) employed in the service of any fire brigade ; or

(*xi*) employed upon a railway as defined in clause (4) of section 3, and sub-section (1) of section 148 of the Indian Railways Act, 1890, by a person fulfilling a contract with the railway administration ; or

(*xii*) employed as an inspector, mail guard, sorter or van peon in the Railway Mail Service ; or

(*xiii*) employed in connection with operations for winning natural petroleum or natural gas ; or

(*xiv*) employed in any occupation involving blasting operations ; or

(*xv*) employed in the making of any excavation in which on any one day of the preceding twelve months more than fifty persons have been employed or explosives have been used, or whose depth from its highest to its lowest point exceeds twenty feet ; or

(*xvi*) employed in the operation of any ferry boat capable of carrying more than ten persons ; or

(*xvii*) employed, otherwise than in a clerical capacity, on any estate which is maintained for the purpose of growing cinchona, coffee, rubber or tea, and on which on any one day in the preceding twelve months fifty or more persons have been so employed ; or

(*xviii*) employed, otherwise than in a clerical capacity, in the supplying, generating or transforming of electrical energy ; or

(*xix*) employed on any vessel which ordinarily plies on any canal, river, lake or other inland navigable water and is propelled wholly or in part by steam or other mechanical power or by electricity ; or

(*xx*) employed in a lighthouse as defined in clause (*d*) of section 2 of the Indian Lighthouse Act, 1927.

Explanation.—In this Schedule, " the preceding twelve months " relates in any particular case to the twelve months ending with the day on which the accident in such case occurred."

21. *Amendment of Schedule III, Act VIII of* 1923.—In Schedule III to the said Act, after the entry relating to phosphorus poisoning, the following entries shall be added, namely :—

" Mercury poisoning or its sequelæ.	Any process involving the use of mercury or its preparations or compounds.
Poisoning by benzene and its homologues, or the sequelæ of such poisoning.	Handling benzene or any of its homologues ; and any process in the manufacture or involving the use of benzene or any of its homologues.
Chrome ulceration or its sequelæ.	Any process involving the use of chromic acid or bichromate of ammonium, potassium or sodium, or their preparations.
Compressed air illness or its sequelæ	Any process carried on in compressed air."

22. *Substitution of new Schedule for Schedule IV, Act VIII of* 1923.—For Schedule IV to the said Act, the following shall be substituted, namely :—

" SCHEDULE IV.

(*See section* 4.)

Compensation payable in certain cases.

Monthly wages of the workman injured.		Amount of compensation for—			Half-monthly payment as compensation for Temporary Disablement of adult.
		Death of Adult.	Permanent Total Disablement of Adult.	Permanent Total Disablement of Minor.	
1		2	3	4	5
More than—	But not more than—				
Rs.	Rs.	Rs.	Rs.	Rs.	Rs. A.
0	10	600	840	840	Half his monthly wages.
10	15	600	840	1,260	5 0
15	18	600	840	1,512	6 0
18	21	630	882	1,764	7 0
21	24	720	1,008	2,016	8 0
24	27	810	1,134	2,268	9 0
27	30	900	1,260	2,520	10 0
30	35	1,050	1,470	2,940	10 0
35	40	1,200	1,680	3,360	10 0
40	45	1,350	1,890	3,780	11 4
45	50	1,500	2,100	4,200	12 8
50	60	1,800	2,520	5,040	15 0
60	70	2,100	2,940	5,880	17 8
70	80	2,400	3,360	6,300	20 0
80	100	3,000	4,200	6,300	25 0
100	200	3,750	5,250	6,300	30 0
200	—	4,500	6,300	6,300	30 0"

STATEMENT OF OBJECTS AND REASONS.

The Workmen's Compensation Act, 1923, was experimental in character, and since its coming into force on the 1st July 1924, a number of modifications of its provisions have been suggested by various authorities and interests. A few amendments, which were designed to remedy admitted defects or to embody improvements of a non-controversial character, were effected by the Workmen's Compensation (Amendment) Act, 1929. Those proposals which involved the modification of the principles underlying the Act or its more important features were referred by the Government of India to Local Governments for opinions in a circular letter in 1928. Copies of this circular letter and of the replies received thereto were supplied to the Royal Commission on Labour who have, after reviewing the question in the light of further evidence supplied to them, made a number of recommendations on the subject in Chapter XVI of their Report. This Bill follows these recommendations closely ; some minor additional provisions have been incorporated, but few variations from the Commission's proposals have been made. The amendments proposed to be made in the Act are explained in detail in the subjoined Notes on Clauses.

NOTES ON CLAUSES.

Clause 2 (*a*) (*i*).—This amendment adds widowed daughters and widowed sisters to the relatives of a deceased workman to whom a share in the compensation may be allotted by the Commissioner.

Clause 2 (*a*) (*ii*).—The existing Act applies only to those seamen who are employed on any sea-going or home-trade ships registered under certain Indian Acts and of a registered tonnage of not less than 300 tons. The amendment seeks to reduce the tonnage limit to 50 tons. In the case of inland steam-vessels it is proposed to remove the tonnage limit and to extend the scope of the Act to all inland vessels whether propelled by steam or other mechanical power or by electricity. See sub-clause (*xix*) in clause 20.

Clause 2 (*a*) (*iii*).—In its application to workmen employed in the capacities specified in Schedule II, the scope of the Act is restricted to those who are employed either by way of manual labour or on monthly wages not exceeding three hundred rupees. There appear to be no manual labourers in India in receipt of over Rs. 300 a month. It is therefore proposed to delete the reference to manual labour from section 2 (1) (*n*) (*ii*) of the Act. The Act will then apply to all workmen employed in any capacity specified in Schedule II in receipt of monthly wages not exceeding Rs. 300.

Clause 2 (*b*).—The wording of the existing sub-section (3) of section 2 has proved inconvenient in drafting notifications under the section. The amendment embodies a redraft of the existing clause without any change of substance, other than the omission, following on the preceding amendment, of any reference to manual labour.

Clause 3 (*a*) (*i*).—This amendment is consequential upon the proposed reduction of the waiting period from ten days to seven, *vide* note on clause 4.

Clause 3 (*a*) (*ii*).—The three exceptions contained in proviso (*b*) to section 3 (1) of the Act operate to remove the liability of the employer to pay compensation when the accident is due to specific misconduct on the part of the workman, e.g., intoxication by drink or drugs, wilful disobedience to certain rules and orders and wilful removal of safety devices. Where a workman is killed, it is extremely difficult for dependants to rebut evidence that the accident was caused by the deceased's misconduct. This is specially true where the employer's defence is that the workman disobeyed a safety rule, e.g., a rule against cleaning machinery in motion. Moreover the withholding of compensation for fatal accidents which are covered by the exceptions gives rise to great hardship to dependents and is not likely to have any appreciable educative effects on other workmen. The amendment therefore seeks to make the exceptions inapplicable in the case of fatal accidents. The proposal here made had the unanimous support of the Royal Commission on Labour ; a majority recommended also that the exceptions

should not apply in cases where a permanent loss of 50 per cent. or more of earning capacity results from the accident. In a non-fatal accident, the injured workman is in a position to contest the defences put forward by the employer and the members of the Commission themselves recognised that the case for abrogating the exceptions in such cases is "less strong."

Clause 3 (*b*).—The provision in section 3 (4) of the Act which limits liability for non-scheduled diseases to those "solely and directly attributable to a specific injury" is unduly stringent; diseases can rarely if ever be regarded as solely due to one cause.

Clause 4.—(1) This amendment and that contained in clause 22 follow the recommendations made unanimously by the Labour Commission. The effect of these amendments would be to enhance considerably compensation payable for death and permanent disablement in the case of the more poorly paid workmen (i.e., those getting less than Rs. 17-8-0) and those in receipt of high wages (i.e., those getting more than Rs. 80 a month). Compensation for temporary disablement would also be substantially enhanced for most workmen.

The enhanced scales are indicated in Schedule IV in clause 22. In place of the existing fourteen wage classes seventeen have been substituted. Except in the last two classes, compensation is based on the highest wage of the class and not, as at present, the mean wage. For the last two classes compensation is based on wages of Rs. 125 and Rs. 150, respectively. In determining the amount of compensation payable, the existing basis of calculation of compensation for death at thirty months' wages and for permanent total disablement at 42 months' wages in the case of adults and at 84 months' wages in the case of minors has been retained. The minimum compensation has been fixed in the case of adults for death at Rs. 600 and for permanent total disablement at Rs. 840, while the maximum amounts for death and permanent total disablement are increased from Rs. 2,500 and Rs. 3,500 to Rs. 4,500 and Rs. 6,300 respectively. In cases of temporary disablement, in addition to raising the maximum half-monthly payment from Rs. 15 to Rs. 30, the rate of compensation has been increased in the case of adults whose monthly wages do not exceed Rs. 30 to two-thirds of the monthly wages and, in the case of minors, to full wages.

At the same time, certain drafting changes are proposed. In the Act as it at present stands, compensation is expressed in terms of monthly wages in most cases in section 4. Monthly wages have to be calculated according to rules given in section 5 and have then to be modified to certain assumed wages in accordance with Schedule IV. If the amendments made by this clause are adopted, the fiction of "assumed wages" will disappear, and after the application of the rules relating to calculation of wages in section 5, a reference to Schedule IV will give, in most cases, the exact amount of compensation payable without further calculations. It should be noted that while it is proposed to replace the whole of section 4 (1) by the section contained in this clause, considerable parts of the new sub-section, and in particular the whole of paragraph C, reproduce verbatim the existing provisions.

(2) The waiting period of ten days specified in the existing section 4 is rather long and sometimes results in hardship; it is longer than that prescribed by the great majority of Acts in other countries. It is proposed to reduce it to seven days as recommended by the Commission.

Clause 5.—The provisions in section 5 of the Act for the calculation of wages give some difficulty in application to cases where the workman has been engaged for a very short period before the accident, e.g., less than a month. A clause to obviate the difficulty was included in the amending Bill introduced in the Legislative Assembly in 1928; but it was eliminated by the Select Committee because there were doubts as to its equity and it was desired to avoid making any amendments of a controversial character at that time. The Commission as a result of their examination of the question has recommended the clause for adoption. Sub-clause (*a*) (*ii*) is intended to give effect to that recommendation. The other amendments in this clause are consequential on the drafting amendments included in the preceding clause and clause 22.

Clause 6.—The Act as it stood prior to its amendment in 1929 gave power to the Commissioner to deduct from the compensation deposited with him the actual funeral ex-

penses of the workman up to a maximum of Rs. 50. The Select Committee of the Legislative Assembly on the Workmen's Compensation (Amendment) Bill, 1928, introduced certain changes which found a place in the Act as finally passed and had the effect of empowering the employer to make to any person by whom the funeral expenses are to be or have been incurred a payment of not more than Rs. 50 for such expenses and to deduct the amount from the compensation. This provision has been found to lend itself to abuse and in three cases from Bengal brought to the notice of the Commission the employer had paid the maximum sum to his own sardar for the expenses incurred in the funeral of a deceased workman. Further it is not open to the Commissioner to question the suitability of the amount paid or to satisfy himself that the whole amount has been spent on the funeral. The amendment is designed to prevent funeral expenses being deducted from the compensation before it is deposited and to provide instead that, on the deposit of the compensation, the Commissioner should deduct the actual cost of the workman's funeral expenses up to Rs. 25 (the present limit of Rs. 50 is unnecessarily high) and pay them to the person who has incurred them.

Clause 7 (*a*).—The provisions regarding notice contained in existing section 10 are unduly stringent in their terms. The Commissioner has wide powers to dispense with the necessity of a notice ; but there are a number of cases in which no notice is necessary. Further want of or a defect in a notice should not be a bar to proceedings if the employer is proved to have had knowledge of the accident from another source.

Clause 7 (*b*).—Notice-books, if effectively maintained, are of assistance both to employers and to workmen ; and in spite of the illiteracy of many Indian workmen books might be utilised in some branches of industry.

Clause 8.—Knowledge of the Workmen's Compensation Act is spreading steadily in industrial areas, but a long time must elapse before that knowledge can become generally diffused in the villages. The dependants of many workmen live in rural areas, which may be situated several hundred miles from the place where the workman is employed. The illiteracy of most workmen and of their dependants and the long distance separating them frequently operate to prevent knowledge of an accident being promptly received, and even when information has come, the dependants of a workman who has been killed may have no knowledge of the law, or insufficient knowledge to enable them to proceed with an application for compensation. These provisions are designed to ensure (*i*) that, in as many cases as possible, fatal accidents are brought to the notice of the Commissioner ; (*ii*) that, where the employer admits liability, compensation is deposited promptly ; and (*iii*) that, where the employer disclaims liability and there are good grounds for believing compensation to be payable, the dependants get the information necessary to enable them to judge if they should make a claim or not.

Clause 9.—Sub-section (2) of section 12 of the Act provides that where a principal is liable to pay compensation under the section he is entitled to be indemnified by the contractor. There is in the section no provision relating to sub-contracts, which are not uncommon in Indian industry. A recent decision of the Calcutta High Court has made it apparent that no indemnification can be obtained under the Act from a sub-contractor in respect of compensation awarded against the principal for injuries sustained by a sub-contractor's workman. The amendment seeks to remove this defect.

Clause 10.—The amendment is designed to provide for the imposition of a small fine for failure to furnish a return, etc., required under the Act.

Clauses 11, 12 *and* 13.—These amendments are designed to make it possible for Local Governments to appoint more than one Commissioner having jurisdiction in the same area, where this is desirable.

Clause 14.—As the Act stands at present, a dependant who finds that no compensation has been deposited on account of the death of a deceased workman must first approach the employer. This is illogical since, in the case of fatal accidents, the Act precludes the parties from reaching an agreement that will be final.

Clause 15.—Cases arise in which the amount of compensation deposited on account of a fatal accident is inadequate. It is not clear under the existing law whether the Commissioner can take steps on his own initiative to secure that the full amount of compensation is deposited. The amendment is designed to empower the Commissioner to call on an employer to make up an inadequate deposit to the proper amount.

Clauses 16 *and* 17.—Section 8 of the Act does not prescribe any particular period during which compensation deposited with the Commissioner must be distributed by him, but it is doubtful whether he can, without statutory authority, withhold a payment for the periods which are sometimes necessary for the decision of an appeal by a High Court. These amendments seek to confer the necessary authority on the Commissioner to withhold payment of compensation pending the decision of the appeal. In order to prevent hardship power is at the same time given to the Commissioner to distribute a small sum for the maintenance of the opposite party during the pendency of the appeal. This sum, which can in no case exceed Rs. 100 and is intended to be disbursed in necessitous cases only, will not be recoverable.

Clause 18.—These amendments are consequential on those in clauses 7 (*b*) and 8 of the Bill.

Clause 19.—The proposed section, which follows a resolution of the Imperial Conference, 1926, would make it possible to arrange for the more convenient distribution of compensation due under the Indian Act to persons in other parts of the Empire and of compensation due under British or Dominion laws to persons in British India.

Clause 20.—The present Act aims at the inclusion of persons employed in branches of industry which are both organized and hazardous. The Commission have recommended that the Act should be extended to cover as completely as possible the workers in organized industry, whether their occupations are hazardous or not, and that there should be a gradual extension to workers in less organized industries, beginning with those who are subject to most risk. Following this principle they have suggested the widening in most cases of the existing classes in Schedule II and the inclusion of an entirely new class consisting of workers on plantations. The Commission estimate that their proposals " will have the effect of adding perhaps 2,000,000 workers to the number (estimated at 4,000,000) already included." About half of this number is accounted for by the inclusion of plantation workers whose risks of accidents are trifling and, as the Commission observe, the increase in the number of possible claims will be by no means proportionate to the increase in the number of employees covered. Items (*xv*), (*xvi*), (*xvii*), (*xviii*) and (*xx*) introduce new classes of workmen to the Act while items (*i*), (*ii*), (*iii*), (*iv*), (*vi*), (*vii*), (*xiii*) and (*xix*) involve enlargements of existing categories. Item (*xx*) is the only new item not proposed by the Commission.

Clause 21.—Of the four industrial diseases which it is proposed to add to the Schedule, the first is already an industrial disease for the purposes of the Act by virtue of a notification issued under section 3 (3) in 1926. The addition of the next two diseases was recommended by the Commission and the addition of the last by the Government of Bombay.

Clause 22.—See note on clause 4.

J. W. BHORE.

Extract from the Legislative Assembly Debates, Vol. II, No. 2.

The Assembly met in the Assembly Chamber of the Council House at New Delhi, on Monday, the 22nd February, 1932.

* * * *

THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

THE HONOURABLE SIR JOSEPH BHORE (Member for Industries and Labour): Sir, I move that the Bill further to amend the Workmen's Compensation Act, 1923, be circulated for the purpose of eliciting opinion thereon.

We have tried, Sir, to explain with some care and in some detail the intentions and the scope of this piece of legislation, and the Statement of Objects and Reasons and the notes appended thereto, for the length of which I offer an apology to this House, are I think evidence of that endeavour. I do not think therefore that it will be necessary for me to do more than summarise very briefly the main provisions which this measure seeks to place upon the Statute-book. The first important change lies in the general enlargement of the various existing classes of workmen who are entitled to compensation. Apart from that we have added only one entirely new clause of any importance, namely, the class of workmen on plantations. The Royal Commission on Labour estimated that the result of the addition of new classes would be to add approximately two millions to the four million workmen who it is estimated are now covered by the existing Act. But, Sir, I would point out that the risk of accident on plantations is so extremely limited that the increase here in the number of workmen covered should not be taken as any index to the number of possible claims.

The next change of importance is the enlargement in the scales of compensation. The effect of the new scales will be to increase largely the compensation to the most poorly paid and to the best paid worker, and they will also have the result of increasing in varying degrees in all cases compensation in the case of temporary disablement. Then again, Sir, under the existing Act the employer's liability is limited by certain provisos laid down in section 3, sub-section (1) of the Act. We propose to remove those provisos in the case of fatal accidents. The result will be that certain defences, as for instance, that the deceased workman was drunk or had himself removed a safety device, will no longer be available in the case of fatal accidents. We propose, Sir, a number of smaller but none the less important changes in the Act ; for instance, we propose to enlarge the term " dependants " so as to make it possible to include widowed sisters and widowed daughters. We propose to reduce the period of waiting for the payment of compensation in cases of temporary disablement from ten days to seven days. We propose to add a number of occupational diseases to the list already covered by the existing Act. If Honourable Members of this House will be so good as to turn to the notes appended to the Statement of Objects and Reasons, they will find the various innovations which this Bill seeks to bring about dealt with seriatim.

Now, Sir, in undertaking labour legislation, Government have almost invariably had to face attacks from exactly opposite angles. On the one hand we have been charged with moving too rapidly for Indian conditions, while exactly the reverse complaint comes from those eager and impatient representatives of labour who charge us with lagging behind with leaden feet. If I may be permitted a confession of my personal faith in this matter, I would say that any Government, which failed to recognise that the welfare of the workers of the State was one of its primary obligations and failed to progress steadily towards the liquidation of that obligation, would be in danger of losing one of the strongest moral justifications for its existence. At the same time, Sir, it is absolutely essential for us not to turn a blind eye to the other side of the picture. We have to realise that social and industrial conditions in this country are different from conditions in the West and we must be careful not to impose prematurely upon a young industrial country burdens which may crush or attenuate its growth and so may recoil upon the workers themselves. I claim, Sir, for the Government of India that we have always steadily adhered to the principle which inspires the whole of the Royal Commission's report and I claim, Sir, that that principle it is that makes that report so valuable a guide to future practical progress in this field. I claim that the Government of India have gone forward for many years steadily and firmly, but that they have never departed from that principle of gradualness in progress which is forced upon us by the sober logic of facts as they are. We recognise, Sir, that this Bill seeks to introduce a number of important changes in the existing law, and we are therefore moving for circulation so that criticism may be available from all interested parties. Sir, I move.

MR. DEPUTY PRESIDENT: The question is:

" That the Bill further to amend the Workmen's Compensation Act, 1923, be circulated for the purpose of eliciting opinion thereon."

The motion was adopted.

Copy of letter No. 1016/87 *dated the 24th May* 1932, *from the Association, to the Director of Information and Labour Intelligence, Labour Office, Bombay.*

Subject:—A BILL FURTHER TO AMEND THE WORKMEN'S COMPENSATION ACT, 1923.

I am directed to acknowledge the receipt of your letter No. 836 dated the 19th March 1932, enclosing a copy of the Government of India's letter giving cover to the Draft Bill further to amend the Workmen's Compensation Act, 1923, and inviting the Association's views thereon.

2. My Committee would like to preface their criticism of the Bill in detail by saying that, while it marks an advance in labour legislation in this country in so far as it is designed to better the lot of the Indian worker in mills and factories, the Government of India in their desire to give effect to all the recommendations of the Royal Commission on Labour in regard to workmen's compensation, would appear to have lost sight of the fact that, in framing legislation of this type, it is generally inadvisable to follow too closely foreign models by importing considerations which might well apply to conditions in the highly industrialised countries of the West, but which could not be held to apply to the vastly different conditions in this country.

3. In raising the scales of compensation to the very high level proposed in the Bill, it would appear to be Government's intention to bring workmen's compensation legislation in India gradually into line with that in England, It should, however, be pointed out that if the rate of compensation is high in England, it is because it is based on two considerations of which only one applies in India. The inability of a workman to obtain work apart from the injuries received is an important factor governing the grant of compensation in England, whereas the only criterion for payment of compensation in India is the extent of injuries suffered. A wholesale rise in the scales of compensation in India is, therefore, unjustified, in my Committee's opinion, at this stage. There is another aspect of social legislation of this type, to which my Committee would like to draw the Government of India's attention. Such legislation, if it is to achieve its purpose, should keep pace with the actual needs and requirements of the class to which it is to apply and not seek to create conditions which are far removed from those actually in existence.

4. In stating their views on the various provisions of the Bill, my Committee desire me to say that they are supplemental to the views conveyed by them in their letter to you of 31st May 1929, on the same subject.

Clause 2 (*a*) (*i*).—The addition of widowed daughters and widowed sisters to the circle of dependents eligible for compensation is desirable and was advocated by the Association in their previous representation.

Clause 3 (*a*) (*i*).—The reduction of the " waiting period " from ten days to seven is in accordance with the view expressed by the Association in 1929.

Clause 3 (*a*) (*ii*).—The Association is in agreement with the view expressed by the Royal Commission on Labour that in cases of fatal accidents, employers should be debarred from raising any of the three defences falling under the category of " prohibited acts," for the reasons stated by the Commission.

Clause 4.—My Committee feel there is no justification for the all-round increases in compensation which have been recommended by the Royal Commission on Labour, and to which it is proposed to give effect in the Bill now before the Legislature. No specific reasons have been advanced by the Commission in support of their recommendations. It is not contended that there has been any great increase in the cost of living of the working-classes since the date of the last Workmen's Compensation Act. The fall in the working-class cost of living index, as compiled by the Labour Office, from 155 in 1925 to 110 in 1931 shows, on the contrary, that living conditions, so far as Bombay is concerned, are substantially cheaper for the working-classes. It is instructive to note, in this connection, that wages in the Bombay

Cotton Mill Industry have risen by more than 100 per cent. all-round between 1914 and 1925 and have remained at the same high level since. The effect of increasing the rates of compensation for death and for temporary and permanent disablement would, therefore, be to raise the money value of the compensation by about one-third of what it would have been in 1925, although the cost of living has, in the meantime, decreased by more than 30 per cent.

The proposal to pay two-thirds of the monthly wages to operatives, whose wages do not exceed Rs. 30, for temporary disablement is to pay them, by way of compensation alone, 50 per cent. more than what they would have earned when working full-time in 1914. This, in the opinion of my Committee, is uncalled for, especially when it is taken into consideration that the cost of living is very nearly the same now as it was then. This may be illustrated in the case of a spinning side-boy earning on an average something between Rs. 27 and Rs. 30. In case of temporary disablement, he would receive Rs. 20 in two half-monthly payments of Rs. 10 each. So long as he continues to get this amount of compensation—an amount 50 per cent. more than his full wages in 1914—he is not likely, my Committee submit, to return to work on his normal wages of Rs. 27—Rs. 30 per month. Even now with the receipt of half their monthly wages, workpeople are known to leave Bombay and stay away for unduly long periods in their native places, and if they are to receive two-thirds of their wage, it would induce them still more to stay away from their work.

It is difficult to understand why the more poorly paid workmen and those in receipt of wages of more than Rs. 80 should have been singled out for special treatment in respect of the compensation payable to them in case of permanent disablement and to their dependents in case of death. The proposal to fix minima payments for workers earning less than Rs. 18 a month, irrespective of the wages earned by them, seeks to introduce a new principle which has no place in the existing Act. The tendency to malinger, which is noticeable even now, will, it is believed, increase considerably with the knowledge that the compensation they will receive will be at a much higher rate, if they can only show that their injuries are likely to be permanent. Employers will be called upon to meet claims for permanent disablement even where, with suitable treatment and proper care, the effects of the injury might be considerably minimised if not altogether removed in course of time.

My Committee also fail to see why compensation payable to workers earning more than Rs. 80, but not more than Rs. 200, should be increased to the extent proposed in the Bill. A man earning Rs. 81 is entitled to Rs. 3,500 for permanent disablement under the present Act, but would receive Rs. 4,200 if the Bill is to become law. A supervisor earning Rs. 105, if permanently disabled, receives a maximum of Rs. 3,500 now, whereas he would get Rs. 5,250 under the Bill. There is another consideration which applies particularly to higher paid workmen, and which the framers of the Bill have lost sight of in fixing the scales so high for them. It may happen that a man in a supervisory post in the mills may lose one of his limbs in an accident. But that does not completely incapacitate him. In course of time, he returns to work and is re-appointed to his former post as the loss he has sustained as a result of the injury does not preclude him from carrying on the bulk of the normal duties of his post. In such cases, and they are by no means rare, he is often paid his former wages, although according to the Indian Compensation Act he suffered a heavy percentage of permanent disablement and has received a large lump sum in compensation therefor in accordance with the specific scale laid down in the Act. To enhance the compensation payable to a man like that to the level fixed in the Bill would appear to be palpably unfair to the employer.

Wage Clauses :—My Committee would like to urge that the proposal to fix compensation on the *highest* wage of the different wage-classes in Schedule 4 to Section 22, and not, as at present, on the *mean* wage is inequitable. The result will be to enhance considerably the amount of compensation payable to workers earning a lower wage in each class. This will especially be the case in those wage-classes ranging from Rs. 50 to Rs. 100. Taking the class of workers earning more than Rs. 70, but not more than Rs. 80, the compensation payable to one earning Rs. 71 will be the same as that payable to a man earning the highest wage in that class, viz., Rs. 80. In nine cases out of ten, employers will have to pay compensation on the *highest* wage of the class to men earning lower wages in that class. Calculation of compensation on the mean wage for a class would, my Committee submit, be far fairer to employers and just to the workpeople.

Clause 7 (*a*).—My Committee agree with the proposal that want of notice or a defect or irregularity in a notice should be no bar to proceedings for compensation for death ; though they do not agree that the same procedure should apply to an accident of which the employer has knowledge from any other source. If the want of notice or a defect or irregularity in a notice in respect of other accidents is to be no bar to the maintenance of proceedings, it will lead to a great deal of slackness in the giving of notice which is now necessary under the Act. Claims will increase, and the contention that the employer had knowledge of the accident will almost always be advanced.

Clause 7 (*b*).—My Committee do not see the necessity of a provision to enable Local Governments to require any prescribed class of employers to maintain notice-books. Large employers have, it may be said, always accepted the occurrence of an accident as notice of it, and there has been no hardship to workpeople, as far as my Committee are aware, under the present system.

Clause 8.—My Committee agree that it should be compulsory for every employer to give notice to the Commissioner in case of fatal accidents. They do not, however, think it desirable to require the Commissioner to call upon an employer, when he is contesting a claim, to state the grounds on which he disclaims liability. It is also proposed that the Commissioner, on obtaining this information from the employer, might advise the other side to prefer a claim and give them such assistance as he may think fit. He would only do this if he was convinced that the reasons given by the employer denying his liability were untenable. For him to hear the case subsequently would mean that he would be both the prosecutor and judge in the case.

Clause 9.—The recognition of the principle that an employer is entitled to recover the amount of compensation paid by him in respect of injuries received by a worker employed by his sub-contractor from such sub-contractor is in consonance with the views formerly expressed by my Committee on the desirability of making the sub-contractor liable to his principal for compensation paid to workmen employed by him.

Clause 14.—The amendments in this clause which enable a deceased workman's dependents to approach the Commissioner for a settlement of their claim without first approaching the employer meets with my Committee's approval.

Clause 15.—My Committee agree that the Commissioner should be given powers to secure the deposit of the full amount of compensation in those cases where the amount deposited is insufficient.

Clauses 16 *and* 17.—The authority which it is proposed to give to the Commissioner to withhold the payment of compensation deposited with him pending the decision of an appeal by an employer is desirable.

Clause 20.—The extension of the Act to cover the various industries which may not be organized, or which may not be particularly hazardous, is, my Committee think, a step in the right direction and they would, in this connection, like to refer to what they had stated previously :—

> " The exclusion of certain industries merely on account of the fact that the administration of the law to such industries would be difficult, or that the occupation in the industry concerned was not particularly hazardous, did not, in the opinion of the Association, afford sufficient justification for the exclusion of a large number of operatives employed in such industries from the benefits conferred under the Act."

LEGISLATIVE ASSEMBLY.

23rd September 1932.

THE WORKMEN'S COMPENSATION (AMENDMENT) BILL.

* * * *

MR. H. P. MODY: Sir, I did not think it was necessary for me to inflict myself upon the House at this stage of the proceedings, but certain view points have been urged by my Honour-

able friends, Mr. Abdul Matin Chaudhury and Mr. Mitra, and I think it is necessary for me to make a few general observations. I would like to make it clear at the outset that I have no objection whatsoever to urge against the principle of the Bill. The Workmen's Compensation Act was passed few years ago, and the time has surely arrived for reviewing the position and ascertaining exactly how the Act has worked and in what directions it requires to be improved or liberalised. I, therefore, say that so far as the Bill itself is concerned, I welcome it. But what I object to is the fact that the recommendations made by the Whitley Commission seem to have been bodily taken and incorporated in the Bill. Sir, we all know the very critical faculty which the Government bring to bear upon the reports of the Tariff Board. I wish that the same critical faculty would be brought into play when Government are dealing with the recommendations of Labour Conventions, Conferences and Commissions. I do not want the attitude of the Association which I represent misunderstood. Those of my friends who have taken the trouble to read the literature on this somewhat dry subject must have seen the very fair and liberal attitude adopted by my Association towards most of the proposals on which their opinions were asked for. As a matter of fact, the views expressed by my Association, I can confidently claim, are in advance in a great many particulars of the opinions which have been expressed by employers of labour and by employers' Associations in other parts of the country. But, Sir, there is one point on which I feel it is necessary that I should record my protest, though I feel that the atmosphere is not exactly congenial, and that I am going to carry on a lone fight not only on the floor of the House but in the Select Committee. I do not mind that. All that I wish is that when Government in the Select Committee are confronted with views which are not exactly in agreement with those which have been embodied in the Bill, they will keep an open mind on the subject, and will be prepared to listen to reason.

The specific proposal against which I am objecting, Mr. President, is with regard to the scale of compensation. My Honourable friend Mr. Mitra was just now heard to say that he did not exactly object to the scale, but that he desired that it should be made more generous. I hope my Honourable friends on the Government Benches will not be taken in by what I regard as a pose on the part of my Honourable friend. After all it is the business of those who plead for labour always to express themselves very disgruntled and very dissatisfied with whatever labour legislation is placed before the House. This is a very useful device, and even though, in their heart of hearts, they may be pleased with all that is happening, it is prudent for the spokesmen of labour to express their dissatisfaction. I would do the same when it was a question of fighting for the interests I represent.

MR. GAYA PRASAD SINGH (Muzaffarpur cum Champaran: Non-Muhammadan): Japanese dumping.

MR. H. P. MODY: My Honourable friends will not get away from "Japanese dumping" quite so easily as they imagine, so long as some representatives of industrial interests are in this House:

What I was going to say with regard to the scale proposed in this Bill was that it had been bodily taken from the Whitley Commission recommendations. I do not pretend to have read all those volumes in which the evidence of the Whitley Commission has been recorded. My Honourable friend Mr. Clow would probably know them by heart. But whatever little study I have applied to these volumes has at least told me this, that barring a very few labour organizations, the overwhelming majority of all those who have given evidence have definitely said that the present scales of compensation are adequate, and should not be increased except in certain minor particulars. My grievance, therefore, against the recommendations of the Commission is that it has gone out of its way to make recommendations which are not warranted by the evidence which was laid before it.

MR. K. AHMED (Rajshai Division: Muhammadan Rural): Hear, hear.

MR. H. P. MODY: My Honourable friend, Mr. K. Ahmed, with his usual relevance says, "hear, hear." Sometimes it may be regarded as an approval, and sometimes as a disapproval, according as people take my Honourable friend seriously or otherwise. I hope,

at any rate, my Honourable friend, when he sat on the Commission, was listening to the evidence, and that he applied his mind to the recommendations before he appended his signature to them. (Hear, hear.) I was going on to say that the main objection which has got to be urged against the scales of compensation is that industries have been passing through a period of acute depression. I do not go the length of saying that because a wave of depression is passing over the land, therefore we should refrain from doing justice, from doing what is right and fair. But, Sir, the point I am making is that, in this period during which industries have been passing through abnormal conditions—and I am not merely talking of the particular industry which I represent,—during this period the cost of living has come down very materially. What then is the result ? The result is that these scales of compensation provide for a 30 per cent. increase at a time when the cost of living has gone down by 30 per cent. I cannot say, with all the sympathy that I have for labour, that this is a just and fair way of treating the question. I hope my Honourable friend, Mr. Joshi, when he gets a chance will not get up and indulge in his usual rant about the hard-hearted capitalist and employer of labour. I say confidently that to-day at any rate, no matter what was the case in the past, the employer who treated his labour otherwise than fairly and even generously, would be regarded as not only wanting in humanity, but also wanting in sense. I repeat that to-day, the attitude of the employer of labour towards those whom he employs has undergone a very welcome change. I will admit that it has been a belated change, but none the less it is there, and must be welcomed.

Then, Sir, there was an important point made by my Honourable friend, Mr. Abdul Matin Chaudhury, to which I should like to refer, lest my friends on the Treasury Benches in a moment of weakness accord their approval to it. My Honourable friend inquires, why certain defences which in the case of fatal accidents are open to the employers to-day and which are sought to be done away with in the Bill, should not be done away with also in the case of disablement. Here, again, I would like to say that while many employers think it inequitable that where fatal accidents are caused by the drunkenness or utter disregard of safety devices on the part of workmen, employers should be debarred from pleading these as defences, my Association has approved of the amendment, even though it goes beyond what fairness requires. I find, however, my Honourable friend, Mr. Abdul Matin Chaudhury, actually pleading that it should be open to a workman who has disregarded safety devices or who has been drinking and has permanently disabled himself in consequence, to get the benefit of the particular provision which obtains in the case of fatal accidents. I ask, Sir, what would happen if a workman was passing along a road and was run over by a motor lorry or a passing car, and it was proved that it was his contributory negligence which brought about his disablement ? In that case he would get nothing, because the ordinary law of the land, which is sought to be done away with in this Bill, would prevail, and contributory negligence would be a bar against the recovery of any damages. I say, therefore, that my Honourable friend ought to regard it as a great concession that the employer should be debarred from even pleading that the workman was drunk or that through his own utter neglect he met his death ; and I hope that neither he nor any of his friends on the Select Committee will seek to extend the scope of the concession.

As I am on the Select Committee, though in a hopeless minority, I shall not deal with any other points at this stage. I accord the Bill a whole-hearted welcome, and I hope that in the Select Committee my Honourable friends on the Treasury Benches will bring to bear upon upon the various questions which are embodied in this measure a fair and open mind.

APPENDIX 12.

EMPLOYERS' LIABILITY.

Copy of letter No. 552, dated 22nd February 1932, from the Director of Information and Labour Intelligence (Labour Office), Bombay to the Association.

Subject :—EMPLOYERS' LIABILITY.

I am directed by Government to forward herewith for your information a copy of the Government of India, Department of Industries and Labour, letter No. L-3002 dated

the 3rd February 1932, together with enclosures on the above subject and to request you to furnish this office with your views in the matter.

2. I shall be glad if you will kindly arrange to send in your reply at an early date at any rate not later than the 15th of April 1932.

Copy of letter No. L.-3002, dated the 3rd February 1932, from the Government of India, Department of Industries and Labour, to All Local Governments of Governors' Provinces and Chief Commissioners, Delhi and Ajmer-Merwara.

Subject:—EMPLOYERS' LIABILITY.

I am directed to address you with reference to the recommendation made by the Royal Commission on Labour on pages 314-5, of their Report on the subject of employers' liability. For convenience of reference an extract from the Commission's Report is appended to this letter. With this will be found a copy of the clauses to which the Commission refer as having been eliminated by the Select Committee from the Workmen's Compensation Bill in 1923, and the observations made on the question by the majority of the Select Committee at that time. Three members in dissenting minutes took the view that instead of omitting the clauses the Committee should have extended the application of their principle to all workmen. This is in effect what the majority of the Royal Commission have now advocated.

2. The two main objections taken by the majority of the Select Committee to the proposal were (1) that it was uncertain that the courts would accept the defences which the doctrines were designed to remove, and (2) that if the defences were inequitable they should be removed for all workmen and not for specified classes. The latter objection is met by the Commission's proposal. As regards the former, cases of the kind to which the proposed law would be applicable are naturally rare, but in the only reported case which the Government of India have been able to trace (9 A. L. J. 173) the doctrine of common employment was unhesitatingly applied.

3. The Government of India incline to the opinion that the defences in question are inequitable and they are, therefore, not disposed to attach much weight to the fact that they are seldom likely to be invoked or to any remaining doubt that there may be as to the readiness of the courts to apply them. The clarification of the law would in itself be an advantage. On the other hand, there may be some danger that a change in the law of the kind contemplated would lead to a number of workmen who have claims for Workmen's Compensation being tempted to abandon these in favour of the more difficult and costly method of procedure in the civil courts. So far as most of those workmen to whom the Workmen's Compensation Act is or may be made applicable are concerned, the Government of India consider that Act provides or should provide an adequate remedy and they agree with the view expressed by two members of the Commission that the extension of this Act represents the correct line of advance in social legislation of this kind. At the same time, none of the members of the Commission has advocated the extension of the Act to any persons in receipt of more than Rs. 300 a month who are not already within its scope, and it is mainly for the benefit of the better paid workmen that the majority have proposed legislation.

4. The Government of India are therefore disposed to the view that legislation on the lines proposed by the Commission is desirable. But I am to suggest that in examining the proposal, consideration should be given to the possibility of limiting the scope of the law so as to exclude all workmen covered by the Workmen's Compensation Act. Another alternative would be to include only such of these workmen who arein receipt of more than Rs. 300.* Either of the alternatives suggested would remove the disabilities which may attach to those workmen who have only the remedy of a civil suit without giving encouragement to unwise litigation on the part of workmen who have alternative remedies.

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* *Note.*—The only such workmen are the better paid railway workers, to whom the Act does not give compensation proportionate to their pay ; and although the Commission observe in the appended paragraph that if their recommendations are adopted the monetary limit will be applicable to all workmen, they have made no specific proposal to exclude such railway workers, and the Government of India do not contemplate such a step.

5. I am to request that, with the permission of His Excellency the Governor in Council, the views of those interested may be elicited and a reply giving the opinion of the Local Government may be sent to this letter not later than 1st June 1932.

Extract from pages 31-45 *of the Report of the Royal Commission on Labour.*

Subject :—EMPLOYERS' LIABILITY.

Before concluding this chapter we deal with a question which, while not strictly a matter affecting workmen's compensation legislation, is connected with it. Persons injured by accident may have a remedy by a suit for damages against their employer in the civil court, and it is suggested that the law there applicable is inequitable because two defences may be evoked by the employer to defeat claims which he should justly be called upon to meet. One is the defence of *common employment* by which an employer can plead that an accident was due to the default of a fellow-workman, and the other is the defence of "assumed risk" by which an employer is not liable for injury caused to workmen through the ordinary risks of employment, and a workman is presumed to have assumed risks which were apparent when he entered upon his occupation. When the Indian Workmen's Compensation Act was first introduced, it had, in addition to the provisions for workmen's compensation, clauses designed to abrogate these defences in certain cases ; but the Joint Select Committee of the Legislature deleted the clauses in question, apparently because they were not satisfied that the doctrines to which we have referred, which were derived from the British common law, would be accepted by Indian courts. They observed at the same time that, if the doctrines in question were so accepted and were regarded as inequitable, they should be removed for all workmen and not for the limited classes to which the Workmen's Compensation Bill was to apply. Those who now advocate legislation have produced little evidence to show that the existing position gives rise to hardship ; but it is possible that suits are not pursued because of the admitted ambiguity of the law and, as the defences in question are in our view inequitable, there is need for ensuring that they cannot be invoked. It should be remembered that ordinarily the workman receiving more than Rs. 300 does not come under the Workmen's Compensation Act, and his only remedy is in the civil court ; if our recommendations are adopted, the monetary limit will be applicable to all workmen. The majority of us consider, therefore, that a measure for this purpose should now be enacted, and that it might follow the lines of the clauses deleted in 1923, but should, of course, *be applicable to all workmen.* Sir Victor Sassoon and Sir Alexander Murray point out that the Joint Select Committee likewise expressed the opinion that it was on the whole wiser to restrict the scope of the Bill to workmen's compensation and to avoid anticipating a difficulty which might not arise. They adhere to this view and are not aware that there has been any change since 1923, to justify legislation of the type suggested. They consider that the substantial increases in the scales of compensation and the wide extension of the scope of the Workmen's Compensation Act, now recommended, not only reduce any need there may be for such legislation but also form the correct line of advance in social legislation of this kind.

Extract of Clauses Relating to Employers' Liability from the Workmen's Compensation Bill.

Subject :—EMPLOYERS' LIABILITY.

3. *Defence of common employment barred in certain cases.*—Where personal injury is caused to a workman :—

(*a*) by reason of the omission of the employer to maintain in good and safe condition any way, works, machinery or plant connected with or used in his trade or business, or by reason of any like omission on the part of any person in the service of the employer who has been entrusted by the employer with the duty of seeing that such way, works, machinery or plant are in good and safe condition ; or

(*b*) by reason of the negligence of any person in the service of the employer who has any superintendence entrusted to him, whilst in the exercise of such superintendence ; or

(*c*) by reason of the negligence of any person in the service of the employer to whose orders or directions the workman at the time of the injury was bound to conform and did conform, where the injury resulted from his having so conformed ; or

(*d*) by reason of any act or omission of any person in the service of the employer done or made in obedience to any rule or bye-law of the employer (not being a rule or bye-law which is required by or under any law for the time being in force to be approved by any authority and which has been so approved) or in obedience to particular instructions given by any person to whom the employer has delegated authority in that behalf ;

a suit for damages in respect of the injury instituted by the workman or by any person entitled in case of his death shall not fail by reason only of the fact that the workman was at the time of the injury a workman of, or in the service of, or engaged in the work of, the employer.

4. *Risk not to be deemed to have been assumed without full knowledge.*—In any such suit for damages, the workman shall not be deemed to have undertaken any risk attaching to the employment unless the employer proves that the risk was fully understood by the workman and that the workman voluntarily undertook the same.

5. *Limitation.*—The provisions of this Chapter shall not apply in the case of any suit for damages in respect of an injury which is instituted after the expiration of six months from the date of the injury.

Extract from the Report of the Joint Committee on the Workmen's Compensation Bill.

3. *Title and Preamble.*—Perhaps the most important alteration, which we have made in the Bill is the elimination of the provisions relating to employer's liability. The majority of us are not satisfied that it is either necessary or wise to retain these provisions in the Bill. It has not been demonstrated to our satisfaction that the Courts in India will apply the judge-made doctrines of common employment and assumed risk. If these doctrines are accepted by the Courts in India, legislation on the lines of the Employers' Liability Act, 1880 (43 and 44 Vict., Cap. 42), will have to be considered. But in that event the defences of common employment and assumed risk, if they are regarded as inequitable, should be removed not merely for the very limited classes of workmen to whom this Bill will apply, but for all workmen. On the whole, therefore, we are of opinion that it is wiser to restrict the scope of the present Bill to workmen's compensation and to avoid anticipating a difficulty which may not arise, and for which the Bill as drafted, contained only a partial remedy.

Copy of letter No. 750/90, *dated the* 14*th April* 1932, *from the Association, to the Director of Information and Labour Intelligence, Bombay.*

Subject:—EMPLOYERS' LIABILITY.

I am to acknowledge your letter No. 552 dated 20th/22nd February 1932, regarding the proposal made by the Royal Commission on Labour for the enactment of special legislation incorporating the principle of Employers' Liability, and its acceptance in a slightly modified form by the Government of India.

My Committee would like to make it clear, at the outset, that they cannot see their way to accept the Whitley Commission's proposal that such legislation should apply to all workmen, irrespective of whether they are covered by the provisions of the Workmen's

Compensation Act or not. If this proposal of the Commission were to be given effect to, it would, in my Committee's opinion, militate very seriously against workpeople continuing to avail themselves of the benefits which undoubtedly accrue to them, at present, under the cheap and expeditious procedure laid down in the Workmen's Compensation Act. My Committee have reasons to believe that the alternative of a civil action for damages which the Commission would offer workers will prove a fruitful source of revenue to certain people whose interest it would be to persuade illeterate workers to adopt the more expensive and dilatory procedure of a civil suit in the remote hope of receiving a larger amount by way of compensation than the scheduled rates of compensation obtainable under the cheaper and certainly more expeditious machinery of the Workmen's Compensation Act. It is, moreover, difficult for my Committee to understand the Commission's reasons for making the proposal when they themselves say " Those who now advocate legislation have produced little evidence to show that the existing position gives rise to hardship."

A further objection which my Committee would like to urge against the present proposal is that even if the Government of India are not disposed to attach much weight to the argument that these defences of " common employment " and assumed risk " are seldom likely to be invoked, the fact remains that, save in one solitary instance, these defences have not been raised by employers and there is no evidence, my Committee submit, to warrant the conclusion that, if they were raised, they would be unhesitatingly accepted and applied by the Courts. There would, therefore, appear to be no point in enacting legislation which seeks, as pointed out by Sir Victor Sassoon and Sir Alexander Murray—two members of the Whitley Commission—, to anticipate a difficulty which may not arise.

In examining the alternatives suggested by the Government of India of limiting the scope of the law so as to exclude all workmen covered by the Workmen's Compensation Act or to make it applicable to those workmen who are in receipt of more than Rs. 300, my Committee would like to point out that, in either case, it would be legislating for a very small class of operatives which would appear to be entirely unnecessary and uncalled for. Workers drawing more than Rs. 300 must necessarily be sufficiently educated and intelligent and do not need the special protection which it is sought to give them by the proposed legislation.

My Committee are, in view of these considerations, entirely opposed to the proposal to legislate against the remote possibility of employers invoking these defences to resist claims for compensation and submit that no case has been made out for the enactment of such legislation.

APPENDIX 13.

AMENDMENT OF THE BOMBAY MATERNITY BENEFIT ACT, 1929.

Copy of letter No. 8574-B. *dated the 2nd December* 1931, *from the Secretary to the Government of Bombay, Political Department, to the Association.*

Subject :—AMENDMENTS TO BOMBAY MATERNITY BENEFIT ACT.

I am directed to say that Government have received suggestions to carry out certain amendments to the Bombay Maternity Benefit Act VII of 1929. The suggestions are embodied in the accompanying note. I am to request that the views of the Association with regard to the amendments may be communicated to Government.

Note indicating the suggested amendments to the Bombay Maternity Benefit Act, 1929.

The rate of maternity benefit prescribed in section 5 of the Act, is eight annas a day. The rate is uniform throughout the Presidency. The wages of women workers vary from place to place and in the mofussil the average earning of a woman is less than eight annas

a day. The rate of eight annas a day appears appropriate only to Bombay city and Ahmedabad. It has, therefore, been suggested that section 5 of the Bombay Act, should be amended on the lines of section 4 and rule 8 of the Central Provinces Act, which allow payment of maternity benefit at the rate of eight annas a day or at the rate of average daily earnings whichever is less.

According to the Bombay Act, the maximum period for which a woman shall be entitled to the payment of maternity benefit is seven weeks. The Royal Commission on Labour have recommended that the maximum period should be eight weeks. It has been urged that the recommendation of the Commission should be given effect to.

The qualifying period for being eligible for maternity benefit prescribed in section 5 of the Bombay Act is six months' employment. It has been suggested that the period should be raised to nine months in accordance with the recommendation of the Royal Commission on Labour.

It has been suggested that in calculating the average daily earnings, the money value of the grain concession where it is allowed should be taken into consideration in calculating wages and that the daily rate should be worked out to the nearest quarter of an anna.

According to section 4 of the Central Provinces Act the rate of average daily earnings of a woman is calculated on the total wages earned during a period of three months preceding the day of her confinement. It has been urged that the earnings of a woman worker decline especially in the days of her advanced pregnancy. It has, therefore, been suggested that the date on which a woman worker gives notice under the Act, should be the end of the period over which wages are calculated.

Section 6 (3) of the Bombay Act contemplates payment of maternity benefit in instalments. There would be no objection to this if the women workers remained in their place of employment to draw the benefits. Many women, however, go to some remote part of the mofussil for their confinement and it has been represented that under certain conditions some women are prevented from adopting the procedure contemplated in section 6(3). It has accordingly been suggested that the alternative of a lump sum payment should be legalised.

The preparation and maintenance of the muster roll under section 14(2) (*a*) of the Act, has been resented by some factory owners. The factories have to maintain muster rolls under the provisions of the Factories Act and these are sufficient to check employment. It is alleged that the maintenance of a second muster roll under the Maternity Benefit Act involves unnecessary duplication of record keeping. It is suggested that the Act should require the maintenance of a register and also permit the use of a combined muster roll and register on the analogy of section 35 of the Factories Act.

Section 15 of the Act requires that a copy of the provisions of the Act and the rules thereunder in the local vernacular shall be exhibited in a conspicuous place by the employer in every factory in which women are employed. It is found that sufficient publicity is not ensured by this method. It has therefore been suggested that this section may be amended to require all factories employing women to post an "Abstract of the Act and Rules" in all parts of the factories where women are employed.

Copy of letter No. 124/34, *dated the* 14*th January* 1932, *from the Association to the Secretary to the Government of Bombay, Political Department.*

Subject:—AMENDMENTS TO THE BOMBAY MATERNITY BENEFIT ACT.

I am directed to refer to your letter No. 8574-B, dated 2nd December 1931, inviting the Association to express its views on the suggestions received by the Government of Bombay, for the amendment of the Bombay Maternity Benefits Act, and to say that, though my Com-

mittee agree with the majority of the suggestions made, they would like to urge that Section 5 of the present Act, prescribing the rate at which benefit is payable should be retained. No sufficient reason has been shown for its amendment on the lines suggested in the Note accompanying your letter. Payment of maternity benefit at the present flat rate of 8 annas per day has worked well in practice, whereas the proposal to make it permissible for mills to pay it either at this rate or at the rate of the average daily earnings, whichever is less, would, in the opinion of my Committee, introduce unnecessary complications and involve considerable administrative difficulties. My Committee are also of the opinion that it would be extremely difficult to ascertain the wage rates in mills in non-urban areas as there exists no simple or effective means of checking earnings. In addition, workers would be considerably inconvenienced by not knowing exactly the amount of maternity benefit to which they would be entitled.

There is another danger in the amendment proposed, to which my Committee would like to draw Government's attention, and that is, that the measure might possibly lead to evasion of their obligations under the Act by factory-owners and managers in outlying places where inspection is not so frequent as in urban areas. The reduction in the rates of benefit at this stage might also lead to labour troubles.

My Committee approve the amendments extending the present maximum period of payment of benefit by one week, viz., from 7 to 8 weeks, and the period of employment which makes a woman eligible for benefit from 6 to 9 months.

If, despite the opinion expressed by the Association, the Government consider it desirable to give effect to the suggestion to vary the rate at which maternity benefit shall be paid, my Committee would favour the adoption of the amendment which provides that the rate, at which the benefit should be paid, should correspond with the average daily earnings for the three months, prior to the date on which she gave notice.

The suggestion to pay the entire benefit in a lump sum is undesirable, for it is probable that any payment of a lump sum will be frittered away in a number of ways, e.g., in paying debts, buying ornaments or in feasting. The woman and child for whose benefit it is given may not get anything from it, and the main object of the gratuity, which is to enable the woman to meet the necessary expenses at such times, will be defeated.

In this connection, my Committee would like to submit a suggestion which may be taken into consideration when Government draft the new bill. Maternity benefit is at present paid in three instalments ; the first instalment for the 3 weeks prior to birth is paid within 48 hours of birth ; whereas the amount for the 4 weeks after birth has to be paid in two equal instalments, at intervals of a fortnight each. There is no provision in the Act which would enable the payment of maternity benefit to be made *before* birth. As the Act is at present framed, maternity benefit can only be paid after birth. It has been represented that it would be more desirable to provide a woman with some portion of her maternity benefit a few weeks before birth rather than to pay her the whole amount after birth, as this would enable her to use the amount for ante-natal or any other special food, treatment or attention which she may require prior to confinement. Such payments are perhaps not so necessary in Bombay where facilities for free ante-natal and other special treatment now exist in hospitals like the Nowrosjee Wadia Maternity Hospital and in the various private and Municipal Hospitals and Maternity Homes in the City and Island, but they would be a boon in other parts of the Presidency. It is, therefore, suggested that payment of maternity benefit due for the 3 weeks before birth might be made permissible on production of a certificate from a qualified medical practitioner certifying the pregnancy of the applicant and the approximate date of confinement.

The Committee approve of the suggestion made that mills should be permitted to keep a combined muster-roll and register giving such additional particulars as are necessary for the purpose of this Act for their women employees. This will meet the needs of the law, and will prevent duplication of work.

APPENDIX 14.

REPRESENTATION OF THE INDIAN TEXTILE INDUSTRY IN THE FEDERAL ASSEMBLY.

Copy of letter No. 90, *dated the* 11*th February* 1932, *from the Reforms Officer to the Association.*

Subject :—QUESTIONNAIRE OF THE FRANCHISE COMMITTEE.

I am directed by the Governor in Council to forward herewith a copy of the Questionnaire issued by the Franchise Committee embodying certain additions and alterations that have been made therein since it was last sent to you, and to request that you will be so good as to favour Government with the views in *triplicate* of the Bombay Millowners' Association on the points raised in the Questionnaire as amended.

2. I am to add that as the Franchise Committee is expected to arrive very shortly, your views may kindly be forwarded so as to reach me by the 17th instant, or as soon after that date as possible.

THE FRANCHISE COMMITTEE.

QUESTIONNAIRE.

Preliminary Heads of Enquiry.

Having regard to the wide range of enquiries which it is necessary for the Franchise Committee to undertake before it can frame detailed plan for the constitution of several legislatures the Chairman is of opinion that it is very improbable, if not impossible, that the Committee will be able to cover the whole field during the first stage of their enquiry. In order to provide a practical programme it will therefore be necessary to concentrate attention in the first instance on fundamental question of the franchise to be adopted in constituencies which will elect the various legislatures.

It may therefore be necessary to postpone enquiries relating to the representation of special interests, the advisability of creating bicameral legislatures in Provinces, the qualification and disqualification of candidates and other subsidiary though important questions until a later stage of the Committee's investigations. A further questionnaire relating to these matters will be issued in due course. The following questionnaire deals with the franchise to be adopted for the Provincial and Central Legislatures. Questions relating to the representation of women, labour and depressed classes have been included because solution of these problems depends largely on the extent to which basis of suffrage can be widened in general constituencies.

I.—PROVINCIAL LEGISLATURES.

1.—*Extension of the Franchise.*

Having regard to the fact that the principle of a responsible Federal Government, subject to certain reservations and safeguards, has been accepted by His Majesty's Government and that the Governors' Provinces are to become responsibly governed units, enjoying the greatest possible measure of freedom from outside interference and dictation in carrying

out their own policies in their own sphere, it is obviously necessary so to widen the electorates that the Legislatures to which responsibility is to be entrusted should be representative of the general mass of the population, and that no important section of the community may lack the means of expressing its needs and its opinion. The Franchise Sub-Committee of the Round Table Conference considered that adult suffrage was the goal which should ultimately be attained but the majority thought that it was not practicable to reach that goal immediately and recommended "the immediate increase of the electorate so as to enfranchise not less than 10 per cent. of the population, and indeed a larger number—but not more than 25 per cent. of the total population—if that should, on full investigation, be found practicable and desirable."

(*a*) What means can you suggest by which the existing franchise for the provincial legislature could be extended so as to include 10 per cent. of the population in the electoral roll ?

(*b*) Do you consider that such an electorate will be capable of casting an intelligent vote ?

(*c*) Do you consider that such an electorate would be administratively manageable having regard to the arrangements likely to be feasible for the preparation, maintenance and revision of the electoral rolls, and for the recording and counting of votes ?

(*d*) If answer to (*b*) and (*c*) is in the negative, what alternative qualifications for the electorate would you propose ?

(*e*) If the answer to (*b*) and (*c*) is in the affirmative, do you consider that it would be practicable and desirable, having regard to the same considerations, to enlarge the electoral roll still further and, if so, what means would you suggest for the purpose ?

(*f*) It has been suggested that, assuming adult suffrage to be impracticable at present, all adults not entitled to a direct vote should be grouped together in primary groups of about 20 or in some other suitable manner for the election of one or more representative members from each group, who would be entitled to vote in the provincial elections either in the same constituencies as the directly qualified voters or in separate constituencies to be framed for them. The suggestion has been discussed mainly with reference to rural villages, but might be made applicable to towns also.

Do you consider that any such system would be feasible and advantageous in the areas with which you are acquainted, and, if so, would you advise that the group electors should vote in the same constituencies as the directly qualified electors, or in separate constituencies composed of group electors only ?

(*g*) It has been proposed that in the event of separate constituencies being framed for group electors, only group electors should be qualified to stand as Candidates for such constituencies.

Are you in favour of this course ?

2.—*Franchise qualifications.*

(*a*) Do you consider that in the areas with which you are acquainted, there is any marked disparity in the operation of the franchise qualifications in urban as compared with rural areas ? If so, what measures would you suggest in order to rectify such disparities ?

(*b*) Assuming that communal electorates of some sort are retained, it has been suggested that each community should be given a voting strength proportionate to its

numbers, and that the franchise system should be so contrived as to secure this result, in so far as it may be practicable.

Are you in agreement with this suggestion, and, if so, what measures would you suggest for giving effect to it in your province ?

(*c*) Is the possession of property of some kind in your opinion a suitable test of fitness for the franchise ? If so, do you consider the existing property qualifications suitable in principle ? If you do not, what modification do you suggest ?

(*d*) Are you in favour of introducing a qualification based on education independently of property, and, if so, what educational qualification would you suggest ?

(*e*) Are you in favour of retaining the existing military service qualification and extending it so as to include service in the Auxiliary and Territorial Forces ?

3.—*Women's Suffrage.*

(*a*) At present women are admitted to the suffrage on the same terms as men, but as the existing qualifications are mainly based on property and the payment of taxes, the number of women on the provincial electoral rolls is only a little over a quarter of a million as compared with 6½ million men. The Statutory Commission proposed that the wives and widows (if over 25 years of age) of men entitled to vote under the property qualification, should be enfranchised, and that in addition an educational qualification should apply to women over 21 as well as to men. In the Franchise Sub-Committee of the Round Table Conference it was suggested that the age limit should be 21 for women as well as for men.

Are you in favour of increasing the women's electorate in the ways suggested or would you prefer any other method, if so, what method ? To what extent would you favour increase in women's electorate ?

(*b*) In the event of a system of group representation being established as proposed in paragraph 1 (*f*), do you consider that women should be formed into groups, and, if so, should separate groups be formed for women or should groups contain both men and women ?

4.—*Representation of the Depressed Classes.*

It is evident from the discussions which have occurred in various connexions in the Round Table Conference, that it is generally felt that provision should be made in the new Constitution for better representation of the Depressed Classes, and that the method of representation by nomination is no longer regarded as appropriate.

Do you consider that the Depressed Classes are likely, through such general extension of the franchise as you favour, to secure representatives of their own choice in the general electorates, and if so, to what extent ? If your answer is in the negative, what specific proposals would you make to secure their representation in Legislatures ? The possible application of the group system of representation to the Depressed Classes should be specially considered.

5.—*Representation of Labour.*

Assuming that such widening of the basis of suffrage in general constituencies as is found practicable does not provide adequate representation of labour what special measures would you recommend for representation of labour (*a*) where it is or can be organized as in industrial areas, (*b*) where it is unorganized as in case of agricultural and plantation labour. On what basis would you allot representation to labour in each case ?

II.—The Federal Legislature.

6.—*Allocation of seats to British Indian Provinces.*

In the third report of the Federal Structure Committee the following allocation of seats to provinces of British India in the two chambers of the Federal Legislature was tentatively suggested :—

Names of Provinces.	Upper Chamber.	Lower Chamber.
Madras	17	32
Bombay	17	26
Bengal	17	32
United Provinces	17	32
Punjab	17	26
Bihar and Orissa	17	26
Central Provinces (if Berar is included)	7	12
Assam	5	7
N. W. F. P.	2	3
Delhi	1	1
Ajmer-Merwara	1	1
Coorg	1	1
British Baluchistan	1	1
	120	200

As a working hypothesis for the purpose of arithmetical calculation at the present stage it may be assumed that the Federal Legislature will be approximately of the size indicated in the report of the Federal Structure Committee.

(*a*) The Federal Structure Committee proposed that the representatives of British Indian Provinces in the Upper Chamber should be elected by the Provincial Legislatures by a single transferable vote. Do you agree with this proposal or have you any alternative to suggest ?

(*b*) Do you consider that the franchise qualifications ought to be different for the Federal and Provincial Legislatures ? If so, what do you consider it ought to be in the case of the Federal Legislature ?

(*c*) The majority of members of the Federal Structure Committee considered that election to the Lower Chamber of the Federal Legislature should be by territorial constituencies consisting of qualified voters who would cast their vote directly for the candidates of their choice. Under a scheme of this nature there would be more than a million inhabitants on an average in each constituency. The constituency would in some cases be of enormous size especially if communal electorates were introduced. In view of obvious difficulties which must confront a candidate in canvassing and maintaining contact with such large constituency the Committee recommended that alternatives of direct and indirect elections should be fully explored and suggested that while it might be possible without difficulty to adopt direct election in certain areas some form of indirect election might prove desirable in rural areas.

The Franchise Committee would be glad to have your views on this difficult question. In the event of your favouring some system of direct election it would be very useful if you would indicate the nature of the constituency that you would form having regard to the number of seats which you consider ought to be allotted to your Province.

7.—Representation of women, labour and Depressed Classes.

Please add any further suggestions which you desire to make regarding the representation of women, labour and the Depressed Classes in the Federal Legislature.

8.—General.

It will be of great assistance to the Franchise Committee if you will favour them with any observations on the working of the existing franchise and electoral rules which will throw light on the problems now under consideration. The Committee will, of course, require information later on many other questions, but it is not necessary to deal at present with matters outside the scope of this questionnaire.

It is not the function of the Franchise Committee to consider the maintenance, modification or abolition of the existing system of separate communal electorates, though it is clear that this question must be decided before a final scheme can be drawn up for the composition of the various legislatures and the arrangement of the constituencies upon which they are to be based. His Majesty's Government have instructed the Franchise Committee to proceed in so far as they may find that absence of such an assumption may preclude them from arriving at conclusions on assumption that separate communal electorates will continue to form a feature of the new Constitution. It is hoped, however, that it will be possible to offer answers to the questions asked in this paper, without entering upon a discussion of the communal problem.

Points for Local Governments.

(1) The Franchise Committee are anxious to save Local Governments unnecessary labour as far as possible. A great deal of information which will be of great value in connexion with their enquiries must already be available in reports on the working of the present constitution prepared for the Statutory Commission or for other purposes. In dealing with the questions now raised it will suffice to refer to such reports or to send copies corrected up to date where such a course is found convenient.

(2) The Franchise Committee desire, if possible during their visit to each provincial headquarters, to spend a day or part of a day in a conveniently situated village, where they would meet typical bodies of villagers and discuss with them questions arising out of this enquiry. The Committee would like to have an opportunity of talking to a group of existing voters, a group of those who would become entitled to a vote if the franchise were extended in the manner considered possible by the Local Government, and a group of those to whom the vote could not be granted within the limits of any practicable system of franchise. In the last case, the Committee would like to consider on the spot, the possibility of adopting some system of group representation. The Committee would be grateful if one or two officers could be deputed to accompany them as interpreters, who are well acquainted with the village selected for a visit or with village life in general.

Copy of letter No. 425/71, *dated the* 23*rd February* 1932, *from the Association to the Reforms Officer.*

Subject:—QUESTIONNAIRE OF THE FRANCHISE COMMITTEE.

I beg to acknowledge your letter No. 90, dated the 11th February 1932.

My Association regret they are not in a position to do anything more than express their general views on the question of the extension of the franchise, and they have very little to add to the reply which was communicated by them to the Deputy Reforms Officer on the 9th June 1931, copies of which are herewith enclosed. There are some matters, however, arising out of the Questionnaire on which, though they may not call for any expression of views at this stage, my Association would like to say a few words :—

(1) The Association at present enjoy continuous representation on the Bombay Council, and a representation alternately with the Ahmedabad Millowners' Association, on the Legislative Assembly. I do not know whether questions of this character are to be considered at this stage of the Franchise Committee's deliberations, but I would like to take this opportunity of emphasising the claim which my Association has always made for continuous representation on the Provincial and Central Legislature. In due course, my Association will be glad to submit their views in greater detail.

(2) On page 5 of the Questionnaire, it has been assumed by way of a working hypothesis that the number of members of the Lower Chamber should be approximately 200. I am directed to state that this number would be quite insufficient for the purpose of giving due representation to all the interests involved.

(3) In the same connection, I would like to point out that the number of seats tentatively allotted to Bombay in the Report of the Federal Structure Committee is not commensurate with the importance of the Presidency, and it is submitted that the question should not be considered entirely from the point of view of the size and population of the province.

If the Franchise Committee at any time desire an expression of my Association's views with regard to any of the subjects referred to above, I shall be glad to submit a full representation.

Copy of letter No. 1230/141, *dated the* 29*th June* 1932, *from the Chairmen of the Bombay and Ahmedabad Millowners' Associations, to the Reforms Officer, Government of Bombay.*

On behalf of the Millowners' Association, Bombay, and the Ahmedabad Millowners Association, we desire to draw your attention to the grave injustice which has been done in the Report of the Indian Franchise Committee to the interests of the Textile Industry.

In the Questionnaire which was issued by the Franchise Committee, it was specifically stated that it was very improbable, if not impossible, that the Committee would be able to cover the whole field during the first stage of their enquiry, and that "it may therefore be necessary to postpone enquiries relating to representation of special interests, the advisability of creating bicameral legislatures in the provinces, the qualification and disqualification of candidates, and other subsidiary though important questions until a later stage of the Committee's investigations." Accordingly, the Ahmedabad Millowners' Association did not specially deal with the subject in their reply to the Questionnaire of the Committee, and the Millowners' Association, Bombay, merely referred incidentally to the claims of the Association for continuous representation in the Central Legislature, and stated that in due course it would submit its views in greater detail. It is very surprising, therefore, to find the Franchise Committee departing from the programme laid down by it, and making specific recommendations with regard to the representation of commercial interests, and our Associations feel that the least the Committee could have done was to have given them an opportunity of expressing their views before any conclusions were reached. We desire to record our emphatic protest against the procedure adopted by the Committee, and we dissent from its recommendations for the following reasons :—

(1) While the Committee propose to enlarge considerably the size of the Federal Assembly, they do not recommend any increase in the strength of the representation enjoyed by industrial and commercial interests.

(2) Labour, which is without any direct representation at present, has been allotted as many as 8 seats, merely on the ground that its representation should be equal to that enjoyed by commercial interests. This makes all the more glaring the rank injustice which has been done to industrial interests, which have been left completely out of the picture.

(3) The representation hitherto enjoyed by the Millowners' Association, Bombay, alternately with the Ahmedabad Millowners' Association has been taken away without

any reason whatsoever. In this connection, it may not be out of place to quote the testimony of Lord Irwin, who thus expressed himself in December 1927 :—

> " Your Association is valuable not only to yourselves ; it is also a great asset to the Government of India. There is hardly a single important question connected with industries, factory legislation or labour during the past 50 years in which the Government has not been assisted by the considered views of the millowners of Bombay."

(4) It seems to have been assumed that it is unnecessary to give any representation to industrial interests as apart from commercial interests. With equal logic, it might be argued that Labour does not require any special representation because the Depressed Classes are going to be adequately represented in the Provincial and Federal Legislatures. The Committee, in arriving at the conclusions they did, have entirely overlooked the consideration that important questions relating to labour legislation, tariffs and the like, which are continually coming up before the Central Legislature, and which have a vital bearing on the interests of industries, cannot possibly be left in the hands of representatives of purely commercial interests. The Treaty of Versailles specifically recognizes this principle so far as the International Labour Conference is concerned, and lays down that the Delegate representing the employers of a Member State should be chosen in agreement with industrial organizations which are most representative of employers. In other words, it recognizes that in the discussion of problems affecting Labour—which will demand increasing attention in the future—the voice of the representatives of purely industrial interests must be heard. The Franchise Committee have themselves admitted the principle in respect of Provincial Councils, and it is very strange that in making their recommendations about the composition of the Federal Assembly, they should not have appreciated the importance of the representation of what has all along been regarded as the greatest national industry of the country.

On the grounds set out above, the Millowners' Association, Bombay, and the Ahmedabad Millowners' Association protest against the injustice done to them, and the manner in which they have been denied an opportunity of placing their views before the Franchise Committee. They desire to point out that this is one more instance of the way in which industrial interests have been ignored in the discussions which have taken place since the Round Table Conference first met in London. It is significant to note in this connection that not a single representative of Indian industrial interests has found a place in the Consultative Committee and the Franchise Committee. The Millowners' Association, Bombay, and the Ahmedabad Millowners' Association invite the earnest attention of Government to this extremely unsatisfactory position of things, and they hope that when the Report of the Franchise Committee comes to be considered, their claim to representation in the Federal Assembly will be duly recognized.

APPENDIX 15.

REPRESENTATION OF COMMERCIAL AND INDUSTRIAL INTERESTS IN PROVINCIAL LEGISLATURES.

Copy of letter No. 154, *dated the* 16*th July* 1932, *from the Reforms Officer, Government of Bombay to the Association.*

Subject :—RE-ARRANGEMENT AND REDISTRIBUTION OF THE COMMERCE AND INDUSTRY CONSTITUENCIES.

I am directed by the Governor in Council to state that in paragraph 323 of their Report the Indian Franchise Committee have suggested that the desirability of some re-arrangement or redistribution of the Commerce and Industry Constituencies of the Bombay Legislative Council should be examined at the stage of the delimitation of Constituencies. As it is necessary that the question should be examined and the necessary material should be

collected by Government before the Delimitation Committee proposed by the Franchise Committee is constituted, I am directed to request that you will be so good as to favour Government with your remarks on the suggestion made by the Indian Franchise Committee.

2. It is not known along what lines the Committee considered re-arrangement or re-distribution of the existing constituencies desirable or feasible. But it would appear that such re-arrangement or re-distribution can be made, *inter alia*, by providing representation for any particular trade or industry or commercial interest, the representation whereof is necessary for more effective representation of commerce or industry, or by abolishing a seat allocated to any commercial association whose representation is no longer necessary or serves no particularly useful purpose, or by providing increased representation for any association at present represented in the Council, or by combining any two or more associations at present returning members to the Council for the purpose of returning their quota of representatives to the Council or by any other similar method calculated to secure the representation of Commerce and Industry in the most effective manner practicable.

3. I am also to invite reference to paragraph 324 of the Report wherein it is stated that it has been pointed out that in some cases the rules of certain associations which are recognized for the purpose of electing members to the legislatures might be so applied as seriously to affect their representative character. Though the Committee have stated that they had no evidence that this had in fact occurred, they have recommended that the point should be borne in mind, and the position reconsidered if it should, at any time, appear to Government that they are no longer representative of the interests assigned to them. I am to request that you will be so good as to favour Government with your opinion as to whether any changes are required in the electoral rules governing your Association with a view to remove this defect if it exists.

Copy of letter No. 1444/163, *dated the* 1*st August* 1932, *from the Association to the Reforms Officer, Government of Bombay.*

Subject :—Re-arrangement and Re-distribution of the Commerce and Industry Constituencies.

With reference to your letter No. 154, dated 16th July 1932, I am directed by my Committee to state that they have no proposals to make with regard to the re-arrangement or re-distribution of the Commerce and Industry Constituencies of the Bombay Legislative Council. They, however, take this opportunity of recording their opinion that the representation proposed to be accorded to Commerce and Industry is very inadequate taking into consideration the greatly enlarged size of the Provincial Legislature.

As regards the representative character of the members elected by Commerce and Industry Constituencies, no changes appear to be called for in the electoral rules of the Bombay Millowners' Association Constituency.

APPENDIX 16.

AMENDMENT IN THE ELECTORAL RULES AND REGULATIONS.

Copy of letter No. 154, *dated the* 24*th November* 1932, *from the Reforms Officer to the Association.*

Subject :—Suggestion made in paragraph 325 of the Indian Franchise Committee's Report.

With reference to the suggestion made in paragraph 325 of the Indian Franchise Committee's Report, that in the case of the Commerce and Industry constituencies the name of

the firm should appear on the electoral roll and that the firm should depute someone to act on its behalf in an electoral capacity, I am directed by the Governor in Council to forward herewith a draft of the amendments which are proposed to be made in the Bombay Electoral Rules and Regulations to give effect to the suggestion and to request that you will be so good as to favour Government with the views of your Association thereon at an early date.

Amendments required in the Bombay Electoral Rules and the Bombay Electoral Regulations to give effect to the suggestion that the electoral roll should give the names of firms and that each firm should depute some person to act on its own behalf in an electoral capacity.

Bombay Electoral Rules.

1. *Rule* 6(2)—(*a*).—After the words " special constituency " the words " other than a Commerce and Industry constituency " shall be inserted.

(*b*) After sub-rule (2) the following sub-rule shall be inserted, namely :—

" (2A). No person shall be eligible for election as a member of the Council to represent a Commerce and Industry constituency unless his name is registered on the electoral roll of the constituency or unless on the date of his nomination as a candidate he is entitled to exercise the rights and privileges of membership on behalf of and in the name of any firm, company or corporation registered on the electoral roll for the time being in force of the constituency."

2. *Rule* 10(1).—The following proviso shall be inserted after proviso (*c*) namely :—

" (*d*) in the case of a Commerce and Industry constituency, if the person registered on the electoral roll for the time being in force of the constitutency is a firm, company or corporation any person who, on the date on which the poll is taken, is entitled to exercise the rights and privileges of membership on behalf of and in the name of such firm, company or corporation, shall, subject to provisos (*b*) and (*c*) be entitled to vote at an election of a member or members for the constituency."

3. *Rule* 30.—After clause (*b*) the following shall be inserted, namely :—

" (*bb*) ' elector ' includes in the case of a Commerce and Industry constituency, a person for the time being entitled to exercise the rights and privileges of membership on behalf of and in the name of any firm, company or corporation registered on the electoral roll for the time being in force of such constituency."

4. *Schedule II, rule* 7.—The words " or who is entitled to exercise the rights and privileges of membership on behalf of and in the name of any firm or company or corporation entered in such list of members " shall be deleted.

5. *In Schedule III.*—

(*a*) for the words " constituency on the electoral roll of which the candidate is registered as an elector " the words " constituency on the electoral roll of which the candidate or the firm, company or corporation which the candidate represents is registered as an elector " shall be substituted ; and

(*b*) for the words " number of the candidate in the electoral roll of the constituency in which he is registered as an elector " the words " number of the candidate, or of the firm, company or corporation which the candidate represents in the electoral roll of the constituency in which he or such firm, company or corporation is registered as an elector " shall be substituted.

Bombay Electoral Regulations.

6. In regulation 1(1) of Part VIII, after clause (*b*) the following clause shall be inserted, namely :—

" (*bb*) the name of the firm, company or corporation and its address shall be entered in the roll."

Copy of letter No. 2430/205, dated the 20th December 1932, from the Association to the Reforms Officer.

Subject:—SUGGESTION MADE IN PARAGRAPH 325 OF THE INDIAN FRANCHISE COMMITTEE'S REPORT.

I am directed to acknowledge the receipt of your letter No. 154, dated the 24th November 1932, with which was enclosed the draft of an amendment which it is proposed to make in the Bombay Electoral Rules and Regulations for the purpose of giving effect to the suggestion made in paragraph 325 of the Indian Franchise Committee's Report.

In reply I am to inform you that my Committee entirely approve the new principle involved in the amendment, but would point out that no definite provisions seem to have been made to enable a Returning Officer to decide which authorized representative of a firm shall vote at any election. In the case of the Bombay Millowners' Association constituency, member mills have more than one authorized representative, that is to say, more than one person is entitled to exercise the privileges of membership on behalf of the member. In such cases, it is necessary that the Returning Officer should have definite instructions as to which of the representatives shall vote. As an indication, I would invite your attention to the general Rules and Regulations of the Association which provide that if two or more persons who are entitled to act and vote on behalf of one and the same member shall be present at any meeting of the Association, the one who takes priority in the order of precedence in the " Register of Persons eligible to act and vote on behalf of Members " maintained by the Association, shall alone be entitled to vote at such meeting. This ensures that the senior-most officer of the firm or company, present on the spot, takes part in the voting. A similar provision might be incorporated in the Electoral Rules and Regulations to clarify the position.

APPENDIX 17.

INTERNATIONAL LABOUR CONFERENCE—XVI SESSION.

GOVERNMENT OF INDIA

DEPARTMENT OF INDUSTRIES AND LABOUR.

PRESS *Communique.*

Dated New Delhi, the 10th December, 1931.

The Government of India have been informed that the Sixteenth Session of the International Labour Conference will open at Geneva early in April 1932 and that the following subjects will be on the agenda :

I. Abolition of fee—charging employment agencies.

II. Old-age invalidity and widows' and orphans' insurance for workers in all occupations excepting seamen.

III. Minimum age of admission of children to employment in non-industrial occupations.

The first two subjects are for first discussion ; the third subject which was previously discussed at the Fifteenth Session held in 1931 is for final consideration.

The precise date of the opening of the Conference will be announced later.

2. The representation of each Member State at a Session of the Conference ordinarily consists of two Government Delegates, one Employers' Delegate, one Workers' Delegate and advisers for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rests with the Government of India, who under the terms of the Treaty of Versailles, have undertaken " to nominate non-Government Delegates and advisers chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or workpeople as the case may be." As there appears to be some misapprehension regarding what constitutes an industrial organization representative of employers, the Government of India desire to make it clear that, in their view, an association can only be regarded as representative of employers if it includes among its functions that of dealing with the interests of employers as such (e.g., regulating conditions of employment). The mere fact that the membership of an organization maintained for other purposes (e.g., the protection and regulation of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection.

3. All suggestions relating to the nomination of non-Government Delegates and their Advisers should reach the Secretary to the Government of India in the Department of Industries and Labour as early as possible and, in any case, not later than the 15*th January* 1932. The industrial organizations claiming to be representative of employers should furnish the Government of India with a copy of their Articles of Association and a list of their members.

4. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of Delegates and Advisers finally nominated.

Copy of letter No. 106/22, *dated the* 13*th January* 1932, *from the Association, to the Secretary to the Government of India, Department of Industries and Labour, New Delhi.*

Subject:—SIXTEENTH SESSION OF THE INTERNATIONAL LABOUR CONFERENCE.

Through the courtesy of the Director of Information and Labour Intelligence with the Government of Bombay, my Association has been supplied with a copy of the Press *Communique* issued by the Government of India regarding the Sixteenth Session of the International Labour Conference to be held at Geneva early in April this year.

My Association have pleasure in suggesting the name of Mr. R. K. Shanmukham Chetty, M.L.A., for appointment as a Delegate on behalf of Indian employers at the Conference.

In accordance with the instructions contained in the Press *Communique*, I am also enclosing particulars* of the membership of the Association, the number of workpeople normally employed by members of the Association, and a copy of the Rules and Regulations of the Association.

APPENDIX 18.

INTERNATIONAL LABOUR CONFERENCE—XVII SESSION.

GOVERNMENT OF INDIA.

DEPARTMENT OF INDUSTRIES AND LABOUR.

PRESS *Communique.*

Dated Simla, the 27*th September* 1932.

The Government of India understand that, as at present arranged, the Seventeenth Session of the International Labour Conference will be held at Geneva during May 1933 and that the following subjects will be on the agenda :—

I. Unemployment insurance and the various forms of relief for the unemployed.

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* Not printed.

II. Methods of providing rest and alternation of shifts in automatic sheet glass works.

III. Abolition of fee—charging employment agencies.

IV. Invalidity, old-age and widows' and orphans' insurance.

The first two subjects will come up for first discussion ; the third and fourth subjects which were previously discussed at the Sixteenth Session held in April 1932 will be for final consideration.

The precise date of the Conference and any additions to the agenda that might be decided upon by the Governing Body of the International Labour Organization will be announced later.

2. The representation of each Member State at a Session of the Conference ordinarily consists of two Government Delegates, one Employers' Delegate, one Workers' Delegate and advisers for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rests with the Government of India, who, under the terms of the Treaty of Versailles, have undertaken " to nominate non-Government Delegates and advisers chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or workpeople as the case may be." An association will be regarded as representative of employers only if it includes among its functions that of dealing with the interests of employers as such (e.g., regulating conditions of employment). The mere fact that the membership of an organization maintained for other purposes (e.g., the protection and regulations of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection.

3. All suggestions relating to the nomination of non-Government Delegates and their Advisers should reach the Secretary to the Government of India in the Department of Industries and Labour as early as possible and, in any case, not later than the 15*th December* 1932.

4. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of Delegates and Advisers finally nominated.

Copy of letter No. 2140/22*A*, *dated the 9th November* 1932, *from the Association to the Secretary to the Government of India, Department of Industries and Labour, New Delhi.*

I have the honour to refer to the *Communique* issued by the Government of India on 27th September 1932, notifying the subjects to be discussed at the next session of the International Labour Conference and laying down the procedure to be followed by industrial organizations in regard to the nomination of non-Government delegates to the Conference.

My Association has much pleasure in suggesting the name of the Hon'ble Sir Phiroze C. Sethna for nomination as a Delegate on behalf of Indian Employers at the Conference. Sir Phiroze Sethna's knowledge of Indian industrial and commercial problems is at once wide and intimate, while his acquaintance with the work of the International Labour Office as a member of the Council of State entitles him, in the opinion of my Committee, to adequately represent the interests of employers generally at the Conference. His expert knowledge of insurance in all its varied aspects will, my Committee consider, be a further valuable asset in connection with the discussion of the first and perhaps the most important item on the agenda of the Conference.

My Committee trust that the Government of India will give due consideration to the suggestion they have made in this letter as coming from the largest industrial employers' association in this country.

APPENDIX 19.

ABOLITION OF FEE-CHARGING EMPLOYMENT AGENCIES.

Copy of letter No. 2142, *dated the* 29*th June* 1932, *from the Director of Information and Labour Intelligence to the Association.*

Subject :—ABOLITION OF FEE-CHARGING EMPLOYMENT AGENCIES.

I am instructed by the Government of Bombay to forward herewith a copy of the Red Pamphlet containing the Questionnaire issued by the International Labour Office on the above subject, for your information and opinions on the points raised therein. I am sending these papers to you in advance of the usual circular letter from the Government of India forwarding copies of International Labour Office Questionnaires because the ordinary procedure usually gives only a very limited time to public bodies, etc., to prepare their replies. I shall communicate further with you when a communication from the Government of India is received, but I trust that pending its receipt you will give the Questionnaire your careful consideration in order that an early reply may be received and the maximum time therefore given to Government to consider the views and opinions of the various persons and bodies who are being consulted on the question.

Copy of letter No. 1360/154, *dated the* 21*st July* 1932, *from the Association, to the Director of Information and Labour Intelligence.*

Subject :—ABOLITION OF FEE-CHARGING EMPLOYMENT AGENCIES.

I am directed to refer to your letter No. 2142, dated 29th June, enclosing a copy of the Red Pamphlet on the Abolition of Fee-charging Employment Agencies and six copies of the Questionnaire on the subject issued by the International Labour Office for the consultation of Governments of member States.

My Committee desire me to say that they are not in a position to express any views on the question as they are not aware of the existence in this country of any fee—charging employment agencies in the textile industry, or, for the matter of that, in other large industries. My Committee would deprecate, however, the imposition of any stringent regulations as they agree with the opinion expressed by the Committee which reported on the question that " there might still be an important part for private non-profit earning agencies to play in filling up the gaps."

APPENDIX 20.

BOMBAY COTTON CONTRACTS ACT, 1932.

Copy of letter No. 7745-B., *dated the* 9*th January* 1932, *from the Finance Department, Government of Bombay, to the Association*

Subject :—EXTENSION OF THE LIFE OF THE BOMBAY COTTON CONTRACTS ACT, 1922 (BOM. XIV of 1922).

I am directed to forward herewith a copy of letter No. 2165/A/11 dated 23rd/28th December 1931, received from the Vice-President, East India Cotton Association, Limited, Bombay, and to enquire whether, in the opinion of your Association, the Bombay Cotton Contracts Act, 1922, should be continued.

Copy of letter No. 2165 A/11, *dated the* 23rd/28th *December* 1931, *from the East India Cotton Association, Limited, to the Secretary to the Government of Bombay, Finance Department.*

I have the honour on behalf of this Association to invite a reference to Section 1 (2) of the above Act and also to Notification No. 7745-D., dated 14th March 1931, by virtue of which the Governor in Council was pleased to direct that the said Act shall remain in force for a further period up to and including the 31st day of August 1932.

I am to say that owing to circumstances beyond the control of this Association, Bill No. XX of 1931, to provide for the regulation and control of transactions in cotton in Bombay which was introduced by the Government in the July Session of the Bombay Legislative Council has had to be withdrawn owing to the non-acceptance of the main principle underlying the Bill of a single controlling authority in the Cotton Trade. An *ad hoc* Committee of a few representative persons in the trade was formed and subsequently recognised by this Association for the purpose of considering the situation that has arisen in the control of the Cotton Trade of Bombay by reason of the withdrawal of the Bill. This Committee was asked to give the widest possible consideration to all means necessary to place the control of the trade under one single controlling authority and to secure, if possible, legislation to this effect and also to advise generally what course the trade may adopt if legislation on the lines hitherto desired by the trade is not feasible.

The Committee have very carefully considered the question of re-introducing legislation in the form of a revised Bill without affecting, in the least, the main principle which was enunciated in terms of section 6, clauses 1 and 2 of Bill No. XX of 1931. With this end in view, they have appointed a Sub-Committee to prepare draft of a revised Bill in the light of the suggestions for revising the provisions of the same which the individual members of the Committee have been asked to put forward. It is quite obvious that this procedure would naturally involve considerable time and labour and the Committee would not be in a position to submit its final report and also the draft of the revised Bill to the Board of Directors for their final consideration before the end of February, or perhaps, March next. In the meanwhile, the Committee has made a unanimous recommendation to my Board that an immediate representation be made to the Government requesting them to take necessary steps for extending the life of Act No. XIV of 1922 up to the 31st day of August 1933, in order to cover forward transactions in cotton for the season 1932-33.

The Board of Directors of this Association fully endorse this recommendation of the Committee as they consider that the prospects of the introduction and the passing of a new Bill into law in the Bombay Legislative Council, either by a non-official member or by the Government during the coming February-March Session of the Council, are very remote as they are aware that certain legislative formalities have to be gone through before the Bill could be published and circulated to the members of the Legislative Council and subsequently introduced as a private or Government measure. My Board understand that the Bombay Legislative Council would be preoccupied with the discussion and consideration of a large number of outstanding matters of vital importance and urgency to the Presidency and that it would not be feasible, under any circumstances, to have the Bill introduced at the next Session of the Council.

I have to invite your attention to the fact that under the By-laws of this Association, trading in New Crops must be permitted each year from 1st May, but it is permissible for my Board to sanction trading therein in any year from 1st April, with the approval of the Representative Committee. In view of the circumstances mentioned in the preceding paragraph, assuming that trading would be permitted in New Crops (1932-33), from 1st May 1932, subject to the By-laws of this Association, the protection given to such trading by the By-laws framed under the Act would last only up to 31st August 1932.

My Board, therefore, apprehend that the position of contracts entered into before that date, i.e., 31st August 1932, subject to the provisions of the By-laws framed under the authority of Act No. XIV of 1932, would become anomalous after 31st August 1932, in the event of the Act not being extended up to 31st August 1933. In order, therefore, to cover the period intervening between the expiry of the old Act in August 1932, and the enactment

of a new Act, so that transactions in cotton that may have been entered into prior to 31st August 1932, would continue to be governed by the By-laws framed under the Act, it would be both desirable and necessary in the interests of the Cotton Trade as a whole that the life of the Act should be extended up to 31st August 1933.

I have, therefore, the honour to request that the Governor in Council may be pleased to further extend the life of the Act upto 31st August 1933, in order that trading in next year's New Crops may not be disorganized.

Copy of letter No. 390/85, *dated the* 17*th February* 1932, *from the Association, to the Assistant Secretary to the Government of Bombay, Finance Department.*

I am directed to acknowledge the receipt of your letter No. 7745-D, dated 9th January 1932, requesting the Association's views on the proposal to extend the life of the Cotton Contracts Act of 1922.

My Committee have given this matter their fullest consideration, and have most reluctantly been driven to the conclusion that no useful purpose would be served by extending the life of the Cotton Contracts Act in its present form. It has been apparent for some time that the East India Cotton Association has failed to control the cotton trade, and that constituted as it is, it is not able to do so.

For these reasons, my Committee consider that no advantage would accrue from an extension of the life of the present Act.

Copy of letter dated 18*th July* 1932, *from the Secretary to the Government of Bombay, Finance Department, to the Association.*

COTTON CONTRACTS BILL.

Your Association is aware that trading in the Bombay cotton market has for a long time past been very irregular and the operations of many dealers have been persistently obstructed and interfered with. Government realise that world factors have aggravated the situation ; but after consulting all sections of the trade they are satisfied that the regulation of the Bombay cotton market has been seriously defective. And they consider it necessary that, in case the present disorganization of the market should continue or recur, they should be empowered to interfere and improve that regulation in such a way as to secure free trading in the market and to minimise outside interference. They are moved to take this step, partly in the interests of a number of *bona fide* traders and dealers in Bombay who are anxious to trade in the normal way and have been prevented from doing so, but particularly in order that the growers of cotton throughout India may obtain the best possible prices for their produce, for which purpose free and regular trading in the Bombay market is essential.

2. The Cotton Contracts Act of 1922 will, unless its life is extended, expire at the end of August next. Government propose to present to the Legislative Council when it meets in September a bill of which a copy is attached. And they will extend the operation of the present Act for a sufficient time to bring the new bill, if passed into law, into operation.

3. I am to explain further that as a basis for continuing the recognition of the East India Cotton Association, or of recognising any other association in its place, Government will require that it shall own and be in sole control of its markets and that it shall have three representatives of the growers of cotton on its board of directors.

4. I am to request that you will furnish Government with the views of your Association on the attached* bill read with the preceding paragraph of this letter. In order that

* Not printed.

there may be adequate time for consideration of your reply and for the usual preliminaries to legislation I am to request that your reply may be sent as early as possible. If no reply has been received by the 8th August it will be assumed that your Association desires to offer no remarks.

Copy of letter No. 1488/85, *dated the 8th August* 1932, *from the Association to the Secretary to the Government of Bombay, Finance Department, Poona.*

Cotton Contracts Bill.

My Committee have carefully considered the Cotton Contracts Bill, and regret they are unable to support it as it stands.

My Committee fully admit the necessity of ensuring free trading for every one engaged in the cotton trade. They realize the great harm done by the boycott and " hartals " which have been such deplorable features of trading in the market during the last year or two. But they do not think that the proposal to appoint a Board of Control to supersede, in certain circumstances, the Board of a recognized Association, and to vest the control of trade in a body specially constituted by Government is likely to remedy the situation. My Committee fail to see by what means the Board of Control, however wide the powers given to it, can deal with a situation such as the present and regulate the trade. The general conclusion of my Committee is that it is undesirable to embody in a Statute drastic provisions of this character, and that abnormal situations, whenever they arise, might more appropriately be dealt with by special legislation of a temporary character.

With the omission of Clauses 9 and 10, while the power given to the Governor in Council to appoint a Board of Control would be taken away, the Bill would still provide for the recognition of more than one Association, and would place in the hands of the Board of the East India Cotton Association wider powers than they appear to possess. One of the greatest difficulties which the Board has had to face has been the fact that certain elements with no great stake in the trade have always been in a position to force their point of view on the Board and the trade in general. If, however, the Board were to have the powers laid down in Clause 6 of the Bill—and to make them effective the Articles of Association of the East India Cotton Association would have to be revised—the danger of the control of the Association by irresponsible elements might be largely counteracted. For these reasons, my Committee would urge the deletion of Clauses 9 and 10 from the Bill.

BOMBAY ACT NO. IV OF 1932.

An Act to provide for the better regulation and control of transactions in Cotton in Bombay.

WHEREAS it is expedient to provide for the better regulation and control of transactions in cotton and whereas the previous sanction of the Governor-General required by sub-section (3) of section 80A of the Government of India Act has been obtained for the passing of this Act; It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Bombay Cotton Contracts Act, 1932.

2. *Extent and operation.*—(1) This Act shall apply to the City of Bombay and the Island of Salsette.

(2) It shall come into operation on such date as the Governor in Council may, by notification in the *Bombay Government Gazette*, direct.

(3) Sections 9 and 10 of this Act shall remain in force for a period of five years from the date on which this Act shall have come into operation under sub-section (2).

3. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context,

(*a*) " Bombay " means the City of Bombay and the Island of Salsette ;

(*b*) " Board of Control " means a board appointed for the time being by the Governor in Council as provided in section 9 ;

(*c*) " Board of Directors " means a board of directors of a recognised cotton association constituted under section 5 and acting through at least a quorum of their members at a meeting of that board duly called and constituted ;

(*d*) " Certified godown " means a godown maintained by a cotton association for storing cotton certified under the by-laws of the association ;

(*e*) " Contract " means a contract made or to be performed in whole or in part in Bombay relating to the sale or purchase of cotton and includes options in cotton, but does not include such contracts as the Governor in Council may, by notification in the *Bombay Government Gazette*, declare to be excluded from the provisions of this Act ;

(*f*) " Cotton Association " means any association, organization or a body of individuals, whether incorporated or not, established or formed for the purpose of regulating and controlling business in the sale, purchase or other transactions in cotton ;

(*g*) " Forward contract " means a contract for the delivery of cotton at some future date ;

(*h*) " Option in cotton " means a contract made or to be performed in whole or in part in Bombay for the purchase or sale of a right to buy, or a right to sell, or a right to buy or sell cotton in future, and includes a *teji*, a *mandi* or a *teji-mandi* in cotton ;

(*i*) " Ready contract " means a contract in which immediate delivery of cotton is contemplated ;

(*j*) " Recognised cotton association " means a cotton association which is for the time being recognised by the Governor in Council, as provided in section 4.

4. *Recognition.*—(1) A cotton association, desirous of being recognised for the purposes of this Act, shall make an application in writing to the Governor in Council for such recognition and shall submit by-laws for the regulation and control of transactions in cotton and furnish such information in regard to such recognition as the Governor in Council may from time to time require.

(2) The Governor in Council may give or refuse such recognition.

(3) The Governor in Council shall refuse recognition unless—

(*a*) it is provided in the by-laws submitted by the Cotton Association under sub-section (1) that not less than one-fourth of the total number of the Board of Directors of the Cotton Association applying for recognition shall be growers of cotton to be appointed in the manner prescribed in the said by-laws and approved by the Governor in Council ; and

(*b*) the Governor in Council is satisfied that the sole possession and effective management, control and regulation of the markets of the Cotton Association applying for recognition and of the market places of the said Cotton Association are vested in the said Cotton Association.

(4) The Governor in Council shall also refuse recognition unless the by-laws submitted by the cotton association under sub-section (1) shall have been published in the *Bombay Government Gazette* at least one month before the date of such recognition :

Provided that when, in the opinion of the Governor in Council, the conditions precedent to recognition specified in sub-clauses (*a*) and (*b*) of sub-section (3) are satisfied in the case of a cotton association applying for recognition under sub-section (1) and the by-laws of the said cotton association are similar in all other material respects to the articles and by-laws of the East India Cotton Association, Limited, deemed or which have been deemed under the provisions of sub-section (7) to be by-laws of a recognised cotton association, the Governor in Council may dispense with the publication, required under this sub-section, of the by-laws of the cotton association applying for recognition and may give recognition to such association and the by-laws of such association shall then be deemed to be by-laws published under the provisions of this sub-section.

(5) When the Governor in Council has dispensed with the publication of the by-laws of a cotton association and has given recognition to such association under the provisions of the proviso to sub-section (4), such by-laws shall be published in the *Bombay Government Gazette* next following the giving of recognition to such association.

(6) The Governor in Council may, at any time after having given to a cotton association an opportunity to explain why recognition should not be withdrawn, withdraw the recognition given to the said cotton association and such cotton association shall thereupon cease to be a recognised cotton association.

(7) It is hereby declared that the East India Cotton Association, Limited, is a recognized cotton association for the purposes and subject to the provisions of this Act and the articles and by-laws of the said Association shall, so far as they relate to matters for which by-laws may be made under the provisions of sections 5 and 6, be deemed to be by-laws of a recognised cotton association :

Provided that, if, within such time after the coming into operation of this Act as the Governor in Council shall by order in writing specify, the said Association shall not have complied with the conditions precedent to recognition specified in clauses (*a*) and (*b*) of sub-section (3), the said association shall cease to be a recognised cotton association and the said articles and by-laws of the said association shall cease to be by-laws of a recognised cotton association.

Explanation.—A grower of cotton shall not include a person who deals in forward contracts.

5. *Recognised association to have Board of Directors : power to make by-laws.*—(1) Subject to the provisions of section 9, in every recognised cotton association there shall be a Board of Directors. Subject to the sanction of the Governor in Council, a recognised cotton association may make and may from time to time add to, vary or rescind by-laws providing for :—

(*a*) the constitution of the Board of Directors,

(*b*) the powers and duties of the Board of Directors and the manner in which its business shall be conducted,

(*c*) the number and constitution of electoral panels and the representation upon such panels, and

(*d*) the method of appointment of members to the Board of Directors.

(2) By-laws made, added to, varied or rescinded under sub-section (1) shall be laid upon the table of the Bombay Legislative Council at the session of the said Council next

following and shall be liable to be modified or rescinded by a resolution of the said Council. If any by-law is so modified or rescinded, the Governor in Council may sanction such modified by-law and re-publish the same accordingly or may sanction such rescission.

6. *Power of Board of Directors to make by-laws.*—(1) The Board of Directors may, subject to the sanction of the Governor in Council, make and, from time to time, add to, vary or rescind by-laws for the regulation and control of transactions in cotton.

(2) In particular and without prejudice to the generality of the foregoing provision, such by-laws may provide for—

(*a*) the admission of various classes of members of a recognised cotton association and the exclusion, suspension, expulsion and re-admission of such members ;

(*b*) the opening and closing of markets in cotton and the times during which such markets shall be opened or closed and regulating the hours of trade ;

(*c*) a clearing house for the periodical settlement of contracts or differences thereunder and for the passing on of delivery orders and for any purpose in connection with options in cotton, and the regulation and maintenance of such clearing house ;

(*d*) the number and classes of contracts in respect of which settlements shall be made or differences paid through the clearing house ;

(*e*) fixing, altering or postponing settling days ;

(*f*) determining and declaring the market rates for cotton of any and every description ;

(*g*) the terms, conditions and incidents of contracts and the forms of such contracts as are in writing ;

(*h*) regulating the making, performance and cancellation of contracts, including contracts between a commission agent and his constituent, or between a broker and his constituent, or between a jethawala or muccadum and his constituent, or between a member and a non-member of a recognised cotton association, and the consequences of insolvency on the part of a seller or buyer or intermediary, the consequences of a breach or omission by a seller or buyer and the responsibility of commission agents, muccadums and brokers not parties to such contracts ;

(*i*) the prohibition of specified classes or types of dealings in cotton by a member of a recognised cotton association ;

(*j*) the settlement of claims and disputes by arbitration and appeals against awards ;

(*k*) the levy and recovery of subscriptions, fees, fines and penalties ;

(*l*) disciplinary measures against members of a recognised cotton association, including suspension, expulsion, fines and non-monetary penalties, for breach of any by-law made by the Board of Directors ;

(*m*) regulating the course of business between parties to contracts in any capacity ;

(*n*) the institution, maintenance and control of certified godowns ; and

(*o*) regulating the making, performance and cancellation of options in cotton.

(3) If any person committing a breach of any by-law of a recognised cotton association is a company, every director and officer of such company shall also be deemed to have committed such breach, unless he proves that the breach was committed without his knowledge and control.

7. *Publication of by-laws.*—By-laws made under section 5 or 6 shall be subject to the condition of previous publication and, when sanctioned by the Governor in Council, shall be published in the *Bombay Government Gazette.*

8. *Void contracts.*—(1) Save as hereinafter provided in this Act, any contract (whether either party thereto is a member of a recognised cotton association or not) which is entered into after the date on which this Act comes into operation and which is not in accordance with the by-laws of any recognised cotton association shall be void.

(2) No claim shall be allowed in any court for the recovery of any commission, brokerage, fee or reward in respect of any such contract.

9. *Supersession of Board of Directors and appointment of Board of Control, its powers and duties.*—(1). When the Governor in Council is of the opinion that it is necessary, in order to secure free trading in the market and to prevent obstruction thereto and interference therewith, to supersede any Board of Directors, the Governor in Council may, after having given to the Board of Directors a reasonable opportunity to explain why the said Board should not be superseded, by notification in the *Bombay Government Gazette,* declare such Board to be superseded and may appoint in the place of such Board such persons as he thinks fit to constitute a Board of Control and may appoint one of their number to be Chairman.

(2) When the Governor in Council has appointed a Board of Control under the provisions of sub-section (1), the members of the Board of Directors which has been superseded shall, from the date of the notification, vacate their office as such members.

(3) The Board of Control appointed under sub-section (1) shall hold office for such period as the Governor in Council may, by notification in the *Bombay Government Gazette,* appoint.

(4) When a Board of Control has been appointed under sub-section (1), the Governor in Council may make by-laws to be published in the *Bombay Government Gazette* prescribing the powers and duties of a Board of Control and the manner in which its business shall be conducted.

(5) The Board of Control appointed under sub-section (1) may, subject to the provisions of sub-section (4), exercise all or any of the powers vested in or exercisable by the Board of Directors which it superseded.

(6) Notwithstanding anything contained in the by-laws of the recognised cotton association, a Board of Control may, subject to the previous sanction of the Governor in Council, rescind, add to or vary the by-laws of the said Association and may, subject to a like sanction, make all or any such by-laws as may be made by the Board of Directors under the provisions of section 6 and which, in the opinion of the Board of Control, may be necessary for carrying out the purposes of this Act; and all or any such by-laws shall be deemed by-laws of the recognised cotton association.

(7) When a Board of Control has been appointed under sub-section (1), all such property of the recognised cotton association as such Board may by order in writing declare to be necessary for carrying out the purposes of this Act shall vest in such Board. The property so vested in such Board or which such Board may have acquired shall, on the determination of the period of office of such Board, re-vest or vest, as the case may be, in the recognised cotton association.

(8) On the determination of the period of office of the Board of Control appointed under sub-section (1) the recognised cotton association shall forthwith constitute a Board of Directors in accordance with the by-laws of the association.

10. *Prohibition of certain contracts after the appointment of the Board of Control.*—(1) When a Board of Control has been appointed under section 9, the Governor in Council may, by notification published in the *Bombay Government Gazette*, declare that after the date appointed in the said notification, any forward or ready contract entered into except by or through the agency of a member of a recognised cotton association shall be void.

(2) No court shall entertain any suit or proceeding relating to any contract declared to be void under the provisions of sub-section (1) and no claim shall be allowed in any court for the recovery of any commission, brokerage, fee or reward in respect of any such contract.

(3) Any person entering into such contract shall, on conviction, be liable to a fine not exceeding Rs. 1,000 for such offence.

11. *Bar of suits and proceedings against officers, etc.*—No suit, prosecution or other legal proceedings whatsoever shall be entertained in any court against any officer or servant of a recognised cotton association or Board of Control for anything in good faith done or intended to be done in pursuance or execution of this Act or by-laws made thereunder.

12. *Savings.*—(1). Contracts entered into under the provisions of the Bombay Cotton Contracts Act, 1922, shall be deemed to be valid, except in so far as they may be inconsistent with any of the provisions of this Act and by-laws made thereunder.

(2) Forward contracts entered into before the date when this Act comes into operation and which would not have been void under the provisions of the Bombay Cotton Contracts Act, 1922, shall not be deemed to be void merely because they contravene the provisions of this Act and by-laws made thereunder.

APPENDIX 21.

EAST INDIA COTTON ASSOCIATION—CONTROL OF RING TRADING.

Copy of letter No. 1512/*H*/430, *dated the* 30*th November* 1932, *from the East India Cotton Association, to the Association.*

I am directed to invite a reference to the provisions of Section 4 (3) (*b*) of the Bombay Cotton Contracts Act, 1932, (Bombay Act No. IV of 1932) which reads as under:—

Recognition.—4. (3) The Governor in Council shall refuse recognition unless—

(*b*) the Governor in Council is satisfied that the sole possession and effective management, control and regulation of the markets of the cotton association applying for recognition and of the market places of the said cotton association are vested in the said cotton association.

and to inform you that the Board of Directors of my Association have had under consideration the question of assumption of sole control by the Association of the Ring Trading.

With a view to empowering the Association to assume such control, a Trading Ring Sub-Committee consisting of Messrs. Haridas Madhavdas (Chairman), C. P. Bramble, P. N. Philon, Begraj Gupta, Purshotam Jivandas, Jagjivan Dossabhai, Ramdeo Anandilal and Major W. Ellis Jones was appointed by the Board to go thoroughly into the whole question, to formulate concrete proposals and to suggest the enactment of suitable By-laws and to submit their report thereon to them. The Sub-Committee after careful consideration of the question has recommended the enactment of certain new By-laws to be grouped under the head 'Trading Ring By-laws.' I am to enclose herewith a copy of the draft new By-laws and to request you to furnish this Association with the considered opinion of the Committee of your Association thereon on or before Thursday, the 15th December 1932.

That the following new By-laws to be grouped under the heading 'Trading Ring By-laws' be enacted :—

Trading Ring By-laws.

By-law 168.—In these By-laws, unless there be something in the subject or context inconsistent therewith, the following expressions shall have the following meanings respectively (namely) :—

(1) "Trading Ring" means the space or spaces in the Cotton Exchange and/or any such place or places as the Board may from time to time determine and which shall have been notified by the Board as reserved for trading in cotton for future delivery.

Unless and until the Association shall otherwise determine in General Meeting, mid-day trading in forward contracts shall take place in the Trading Ring near the Marwari Bazar or in such place or places in the vicinity thereof as the Board may from time to time determine and notify.

(2) "Ring Committee" means the Committee elected under these By-laws acting through a quorum.

(3) "Ring Trader" means a person appointed by a Member in accordance with these By-laws and who is lawfully in possession of a valid permit issued pursuant to these By-laws to use the Trading Ring as a Ring Trader.

(4) "Ring Sub-broker" means a person lawfully in possession of a valid permit issued pursuant to these By-laws to use the Trading Ring as a Ring Sub-Broker and whose name is enrolled as a Ring Sub-Broker in the Register kept for that purpose by the Association.

(5) "British Subject" includes the subject of any State in India under the protection or control of His Majesty the King-Emperor.

By-law 169.—(i) The Ring Committee shall consist of not more than nine and not less than four qualified persons. The Ring Committee shall be elected by authorised representatives of Members of the Association (not being Associate Members or Special Associate Members). The Election of the first Ring Committee shall be proceeded with forthwith on this By-law coming into force. In the month of September 1934 and in the month of September in each succeeding year six members of the Committee shall retire from office and shall be eligible for re-election. The six members of the Ring Committee to retire as aforesaid in the month of September 1934 shall, unless the Members agree amongst themselves, be determined by lot ; but in every subsequent year the six members who have been longest in office shall retire. As between two or more Members who have been in office an equal length of time the Member or Members to retire shall, in default of agreement between them, be determined by lot. The length of time a Member has been in office shall be computed from the time of his last election.

(ii) The authorised representatives of Members (not being Associate Members or Special Associate Members) shall elect duly qualified persons to fill the vacancies caused by the retirement in the month of September in each year of six Members of the Ring Committee.

(iii) The Board shall have power to make Rules for the conduct of elections and elections shall be held in conformity with such Rules.

(iv) Any vacancy occurring in the Ring Committee shall be filled by the election of a duly qualified person, the election being by authorised representatives of Members of the Association.

(v) The Ring Committee may act notwithstanding any vacancy in their body.

By-law 170.—Four Members of the Ring Committee shall form a quorum.

By-law 171.—At the first meeting of the Ring Committee following each election the Ring Committee shall appoint its Chairman who shall hold office as such until the first meeting after the next ensuing election unless in the meantime he shall be disqualified.

By-law 172.—No person (hereinafter called "the candidate") shall be qualified for nomination, election or appointment as a Member of the Ring Committee,

(*a*) if he is not a Member (other than an Associate Member or Special Associate Member) of the Association or the duly authorised representative of such Member, or

(*b*) if any of the following persons is a Member of the Committee or in the case of an election, is also nominated for election as a Member of the Committee (namely);

(i) any person or the authorised representative of any person with whom the candidate is a partner,

(ii) any partner in or the authorised representative of any firm of which the candidate is a Member or authorised representative,

(iii) any person, firm or company or the authorised representative of any person, firm or company with whom or which the Board shall intimate (the decision of the Board in this respect being final) the candidate or any person firm or company of whom or which the candidate is the authorised representative to be intimately connected, or

(*c*) if he is the authorised representative of any limited company not entitled to the issue of a permit to use the Trading Ring.

In the event of two or more candidates for election being mutually disqualified under sub-clause (*b*) hereof the Secretary shall call upon them to agree between them which of them shall withdraw from nomination so as to remove the objection and if the objection shall not be removed both or all of such candidates shall be disqualified.

By-law 173.—A person shall *ipso facto* cease to be a Member of the Ring Committee :—

(*a*) if he suspends payment or is adjudicated an insolvent or if a Petition be filed by him for winding up his affairs or those of his firm or company or if he compounds with his creditors, or

(*b*) if he be found lunatic or becomes of unsound mind or incapable of efficient attention to business, or

(*c*) if he absent himself from the meetings of the Ring Committee during a period of three calendar months, or

(*d*) if he ceases to be qualified.

By-law 174.—Subject to all the By-laws for the time being in force, the Ring Committee shall direct and supervise the general management and control of the Trading Ring and the hours for trading therein and the Ring Committee shall also have power to regulate admission to and prohibition of the use of the Trading Ring.

By-law 175.—The Ring Committee shall cause permits to be issued for use of the Trading Ring in accordance with these By-laws and such permits shall be signed by the Secretary or Assistant Secretary of the Association.

By-law 176.—No person shall be entitled to use the Trading Ring unless he is in lawful possession of a valid permit.

By-law 177.—Every Member and Special Associate Member of the Association who being an individual is a British Subject or which being a firm is constituted wholly of British Subjects or being a company the majority of whose Directors or Managers are and of which at least 75 per cent. of the capital is owned by British Subjects shall, upon making a written application to the Ring Committee in a form to be prescribed, be entitled to not more than five permits which shall be issued free of charge and to not more than five additional permits in respect of each of which an annual fee of Rs. 10 shall be paid. Such permits shall be issued in the name of such Member or his or its representative or representatives, and shall entitle the person named therein to use the Trading Ring as a Ring Trader. Provided that no company becoming a Member after the date upon which these By-laws come into force, shall be entitled to the issue of any permit either for itself or its representative to use the Trading Ring as a Ring Trader.

By-law 178.—Subject to By-law 180, no person shall be entitled to a permit to use the Trading Ring as a Ring Sub-Broker unless :—

(i) (*a*) he or the firm of which he was then a Member or the Company of which he was a Representative was as on the 1st day of October 1932 registered as a Member, Special Associate Member or Associate Broker of the Bombay Cotton Brokers' Association and which person firm or company was then in full enjoyment of his or its rights as such and unless such person within two months of the coming into force of these By-laws submits in writing an application for such permit on a form to be prescribed by the Ring Committee or

(*b*) he has made an application in writing to the Secretary in a form to be prescribed and unless the grant of a permit shall be recommended by the Ring Committee and approved of by the Board, and

(ii) he pays to the Association in advance an annual subscription of Rs. 11, and

(iii) he shall have agreed in writing in a form to be prescribed that every dispute between him and any other person relating to or arising out of business in cotton shall be submitted to the arbitration of two disinterested Members or authorised or nominated representatives of Members. Each party to the dispute shall appoint an arbitrator and if either party shall fail to appoint an arbitrator within two days after having been called upon to do so by the other party or if any arbitrator appointed refuses to act or is disabled from acting, either party to the dispute may apply to the Ring Committee who shall thereupon appoint two arbitrators. A final award in any such arbitration or decision in appeal therefrom where an appeal lies shall be a condition precedent to right of suit.

By-law 179.—Arbitrators whether appointed by the parties or by the Ring Committee shall have power to appoint an umpire and the award of any two arbitrators or their umpire shall be final and binding upon both parties, subject in the case only of an award made by arbitrators appointed by the Ring Committee or by an umpire appointed by such arbitrators and on payment of an appeal fee of Rs. 100 which shall be credited in full to the Association, to a right of appeal to the Board within 10 days from the date of publication of the Award. The decision of the Board on any such appeal shall be final.

By-law 180.—Every Associate Member of the Association who being an individual is a British Subject, or which being a firm is constituted wholly of British Subjects, or which being a Company, the majority of whose Directors are and of which at least 75 per cent. of the capital is owned by British Subjects shall, upon making a written application to the Ring Committee in a form to be prescribed ,be entitled to not more than one permit, which shall be issued in the name of such Member or his or its representative, to use the Trading

Ring as a Ring Sub-Broker. Provided that no Company becoming an Associate Member after the date on which these By-laws come into force, shall be entitled to the issue of a permit, either for itself or any of its representatives to use the Trading Ring as a Ring Sub-Broker.

By-law 181.—The Ring Committee shall have power to suspend the use of any permit for not more than three working days and the holder of such permit upon notification to that effect shall cease to use the Trading Ring until the suspension shall be removed. A right of appeal shall lie to the Board against any Order of the Ring Committee suspending a permit but such Appeal shall only lie if presented within seven days of the Notification of suspension.

By-law 182.—No contract entered into by a Ring Sub-Broker shall bind any principal he may name until confirmed by such principal.

By-law 183.—All persons making use of the Trading Ring shall be amenable to the jurisdiction of the Association and in particular shall be subject to the disciplinary By-laws.

By-law 184.—A Ring Sub-Broker shall have no vested interest in the Association and shall not be entitled to trade in the Trading Ring in his own name nor shall he enjoy any of the privileges or rights of membership except as provided by these By-laws.

That By-laws 5 and 7 of the Association be altered in the manner following :—

By-law 5.—Add the following to this By-law, namely :—

" The expression ' rooms ' in this By-law shall not include the Trading Ring."

By-law 7.—Delete the words " the Trading Hall and " and add the following to this By-law, namely :—

" The expression ' Rooms ' in this By-law shall not include the Trading Ring."

Copy of letter No. 71/202, *dated the* 11*th January* 1933, *from the Association to the East India Cotton Association.*

I am directed to acknowledge the receipt of your letter No. 1512/H/430, dated the 30th November 1932, requesting the Association's views on certain new by-laws which it is proposed to introduce for the purpose of regulating ring trading in cotton for future delivery. In the first place, I am to express regret that it was not found possible to forward the opinion of my Committee as early as desired by your Board, but the importance of the subject and the desirability of obtaining the considered views of the full Committee of my Association on this question were responsible for the delay.

2. It will be recalled that after the publication of the Wiles Committee Report, the Association expressed the following views in regard to ring trading :—

" *Ring Trading.*—The Association favours the Committee's proposal that the East India Cotton Association should take over control of ring trading in the bazaar and that a ' Ring Committee ' elected annually by the general body, should regulate forward trading both in the bazaar and at Sewri. It is agreed that all members of the East India Cotton Association, being British subjects, should have the right to trade in the ring, but that they will be required to obtain cards from the ' Ring Committee ' before exercising their right either in person or through representatives on their behalf.

" As regards the admission of sub-brokers who are not members of the East India Cotton Association to the privilege of trading in the ring, the Association agrees in principle with Sir Ness Wadia who is strongly opposed to the Committee's proposal to admit all members of the Brokers' Association who were on their registers on 30th November 1930, irrespective of whether they are members of the East India Cotton Association, to the right to a ring card. The Association supports the principle of his contention that all card holders of the ring should be employees of members who will

accept responsibility for them. But as a compromise which might prove acceptable, the Association accepts the Committee's proposal to admit all those who were members of the Brokers' Association on 30th November 1930 to the right to trade in the ring, provided the East India Cotton Association intend the concession to mean that all those who are given this right in the future must become members of the East India Cotton Association. This would lead to the gradual elimination of trading in the ring by non-members."

The compromise proposed by the Association was suggested as a *via media* owing to the difficulty of reconciling the widely divergent views expressed in the majority and minority recommendations, but the underlying condition of the compromise was that the effective management and control, and regulation of trading in the ring either in spot cotton or in cotton futures, should be vested in the Board of the East India Cotton Association.

3. After a careful consideration of the new by-laws, my Committee have reluctantly come to the conclusion that they are not calculated to give the Board of the East India Cotton Association that measure of control which is necessary in the interests of the trade; nor would they adequately protect the interests of genuine traders. The by-laws are unsatisfactory chiefly for the reason that they do not provide for the restriction of forward trading to adequately defined rings or markets, and do not limit the right to trade in the ring as Sub-Brokers to a definite and limited class of people. The essential feature of the compromise suggested by my Association was that, in time to come, no one would have a right to trade in the ring who did not belong to the East India Cotton Association, or transacted business in the name of a member of that Association. The proposals now put forward are, however, of a radically different character, and are not calculated to ensure the safety of trading in the ring. I would invite attention in particular to by-law 182 which provides that a contract entered into by a Ring Sub-Broker will not bind the principal named until it has been confirmed by such principal. Such a provision invests contracts for future delivery with an element of uncertainty and risk, highly detrimental to the interests of the trade.

4. My Committee are also of the opinion that the proposed bye-laws are defective in some other respects, particularly as they do not provide for definite trading hours, and definite and restricted holidays. The need for ensuring the regular functioning of the market has, in the opinion of my Committee, been amply demonstrated by the experience of the last few months during which the market has generally been open for trading only for two or three days a week, despite the fact that most of the members of the East India Cotton Association were desirous of trading but were unable to do so owing to the lack of effective control in the hands of the Board.

5. Taking these factors into consideration, my Committee feel that they must give full support to the proposals made in connection with ring trading by Sir Ness Wadia in his minute of dissent to the Wiles Committee Report, which provided that only members of the East India Cotton Association or their nominees should be entitled to trade in the ring, the full control of which should be vested in the Board of the East India Cotton Association. The broker-membership of the East India Cotton Association is at present so large that the adoption of the proposal that "sub-brokers" should obtain permits to trade in the ring from members of the East India Cotton Association is perfectly feasible. The by-laws framed by the East India Cotton Association and sent to us indicate that these "sub-brokers" are partially employed by one or the other of the members of the East India Cotton Association, and their sole employment by members of the East India Cotton Association would do much towards raising their status.

APPENDIX 22.

ADOPTION OF UNIVERSAL STANDARDS FOR INDIAN COTTON.

Circular No. 521, *dated the* 26*th September* 1932, *from the Offg. Secretary, Indian Central Cotton Committee, Bombay, to the Association.*

Subject:—ADOPTION OF UNIVERSAL STANDARDS FOR INDIAN COTTONS.

I have the honour to say that the question of the adoption of Universal Standards for Indian Cottons has been engaging the attention of the Indian Central Cotton Committee

for some time past and at its meeting held on the 1st August 1932, my Committee passed the following resolution on this subject :—

Resolution :—" That a copy of the previous discussion on this subject be circulated to all commercial and agricultural bodies interested in cotton and to the Government of India and that the matter should be brought up at the next meeting of the Committee for further discussion and final decision."

2. I enclose for your information a copy* of the discussion on this subject held at the various meetings of my Committee. This subject will again be considered by my Committee at its meeting to be held in December this year, and I shall therefore be glad if you will favour me with the considered views of your Association on the subject by November 5th at the latest.

Copy of letter No. 1959/187, *dated the* 12*th October* 1932, *from the Association, to the Offg. Secretary, Indian Central Cotton Committee, Bombay.*

I am directed to acknowledge your letter No. 521, dated 26th September, together with its enclosures and to say that my Committee entirely agree with the suggestion made by your Committee that steps should be taken to secure the adoption of universal standards for all Indian cottons.

It would appear from the report of the discussion which took place in your Committee on 1st August that the Department of Agriculture or the Imperial Council of Agricultural Research should be entrusted with the task of preparing these standards, and that it should be ascertained which other commercial bodies should have a hand in the matter. My Committee would like to suggest, in this connection, that as the matter is one of great importance to the cotton trade it would be desirable to convene a conference of all interests in the trade with a view to discuss the measures to be taken to expedite the adoption of universal standards for Indian cottons on the lines of the standards for American cotton laid down in the United States of America Cotton Standards Act. I am to add that if the suggestion commends itself to your Committee arrangements for the proposed conference might be taken in hand in consultation with the various other interests in the trade affected by the proposal.

APPENDIX 23.

USE OF LONG STAPLE COTTON IN INDIAN MILLS.

Copy of letter No. 6730, *dated the* 31*st August* 1932, *from the Secretary, Indian Central Cotton Committee, Bombay, to the Association.*

Subject :—Tariff Board Enquiry into the Cotton Textile Industry.

I have the honour to state for the information of your Association that, at the oral evidence of the Indian Central Cotton Committee before the Tariff Board on the 19th August 1932, a doubt was raised whether a large portion of the Indian long staple cottons adjudged suitable for spinning yarns of 24's counts and above was being used by Indian mills for spinning lower counts. The Board held the opinion that, if it were so, there was a wastage of wealth either by the mills in using high priced cotton for inferior yarn or by the cultivator in getting lower prices for superior cotton.

The representatives of the Indian Central Cotton Committee promised to examine this point, and let the Board have a note on the subject before the 15th September. A joint meeting of the representatives of the Indian Central Cotton Committee who appeared before the Tariff Board and representatives of the Cotton Trade and Mill Industry is therefore being arranged for at 3-45 p.m. on the 9th September 1932 to discuss this subject under the Chair-

* Not printed

manship of Sir T. Vijayaraghavacharya, President of the Indian Central Cotton Committee. As this subject would undoubtedly be of great interest to your Association, I have the honour to suggest that your Association might agree to sending three representatives to the proposed joint meeting.

On receipt of your reply, if your Associaton is agreeable to the proposal, regarding the names and addresses of those who will attend the proposed meeting as the representatives of your Association, I shall forward to them direct the papers which will be taken up for consideration at the meeting.

Copy of letter No. 1663/119, *dated the* 1*st September* 1932, *from the Association, to the Secretary, Indian Central Cotton Committee, Bombay.*

Subject :—TARIFF BOARD ENQUIRY INTO THE COTTON TEXTILE INDUSTRY.

I am directed to acknowledge receipt with thanks your letter No. 6730, dated 31st August 1932, and to inform you that Mr. H. P. Mody, Sir Munmohandas Ramji and Mr. T. Maloney will represent the Association at the proposed conference.

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Extracts from the oral evidence of the Indian Central Cotton Committee, before the Tariff Board.

PRESIDENT : (of the Tariff Board).—There is just one other point I would like to raise. Supposing we accepted the suggestion that the duty should be restricted to cotton of particular grades, is it possible at the Custom House to make the necessary examination ?

SIR PURSHOTAMDAS THAKURDAS : No, not at the Custom House. I feel that that could be made in two ways: first, a certificate at the other end by the New York Cotton Exchange and secondly, by a confirmation of that certificate by the technological laboratory of the Central Cotton Committee which is an impartial body unconnected with any trading associaton, and the cotton could be held in bond here or the importer could pay a certain amount of deposit until the test is declared.

MR. RAHIMTOOLA : Would it not involve a certain amount of delay ?

SIR PURSHOTAMDAS THAKURDAS : One can't have it both ways.

MR. RAHIMTOOLA : I wanted to say that there should not be unavoidable delay in the matter which might affect the trade.

SIR PURSHOTAMDAS THAKURDAS : The spinner can go on using the cotton after paying a deposit and if the report says that the cotton is 1" and over, the amount of deposit can be refunded.

PRESIDENT : (of the Tariff Board).—In a commodity like cotton a mere examination of the certificate from invoices might be sufficient without actual examination of the stuff ?

SIR PURSHOTAMDAS THAKURDAS : I think a little check at this end would be useful and I don't think it would be very costly. A certificate from the other end would be a *prima facie* proof but a check would be useful.

MR. RAHIMTOOLA : Your point of view is that there would not be any difficulty in putting it into force ?

SIR PURSHOTAMDAS THAKURDAS : No.

PRESIDENT : (of the Tariff Board).—In all cases in whch imported articles are tested for custom's purposes, it is necessary to provide a margin for errors in testing. What margin would the Committee suggest ?

SIR PURSHOTAMDAS THAKURDAS : I am afraid I will have to ask for time : we will have to discuss it.

PRESIDENT : (of the Tariff Board).—I am rather anxious on that score.

SIR PURSHOTAMDAS THAKURDAS : I am likely to have a meeting of my Committee here in the first week of September and we could give you some idea then.

PRESIDENT : (of the Tariff Board).—That is a kind of problem that has arisen in other industries and it is always the practice of the Tariff Board and the Customs authorities to allow a certain margin for errors in testing. If it came to the question of fixing a margin (*a*) to provide against indirect competition and (*b*) to allow for errors in testing, what is the sort of margin that you would like to suggest ?

SIR PURSHOTAMDAS THAKURDAS : I will consider that.

PRESIDENT : (of the Tariff Board).—If you will send us the information by the middle of September it would be useful.

* * * * * *

Copy of letter No. 540, *dated the* 27*th September* 1932, *from the Offg. Secretary, Indian Central Cotton Committee, to the Association.*

Subject :—TARIFF BOARD ENQUIRY INTO THE COTTON TEXTILE INDUSTRY.

I have the honour to enclose for the information of your Association Copy of a letter addressed to the Tariff Board by my Committee regarding the use of long staple Indian cotton by Indian mills.

Copy of letter No. 363, *dated the* 21*st September* 1932, *from the Offg. Secretary, Indian Central Cotton Committee, to the Secretary, Indian Tariff Board.*

Subject :—USE OF LONG STAPLE COTTON BY INDIAN MILLS.

During the course of the oral evidence tendered by the representatives of the Indian Central Cotton Committee, it was suggested by the President of the Board that there was a wastage of wealth owing to the practice of using long stapled Indian cotton for the production of yarns of lower denominations than the cotton was actually suited to spin, and that on this account either the mills or the cultivators of cotton suffered. The proposition enunciated by the President of the Board required detailed examination and the representatives of the Indian Central Cotton Committee therefore asked to be given an opportunity of examining it more closely. This further examination has now been completed, and I have the honour to submit the considered views of my Committee on this matter. In studying the situation, the representatives of my Committee had the benefit of the consultation with the representatives of the East India Cotton Association, the Millowners' Association, Bombay, and the Millowners' Association, Ahmedabad, and the opinions hereafter expressed on the remark of the President, Tariff Board, represent the agreed views of all these interests.

2. On the general proposition as to whether cotton growers suffer any financial loss on account of mills in India using Indian staple cottons at times for production of counts lower than the maximum counts which such cottons are capable of spinning, there is complete agreement that full market rates are invariably paid for all cotton purchased from the grower including staple cottons irrespective of the use to which such cottons may be put. Therefore, whether cotton bought by mills is used for the purpose of spinning higher or lower counts, the agriculturist does not suffer by mills in India spinning lower counts than the maximum counts that can be spun out of such cotton. The conclusion of the Associations on whose behalf this reply is being sent unequivocally is that no financial sacrifice or waste is made at

the expense of the agriculturist in this connection. Whether mills in India in every instance make the fullest economic use of the staple cottons which they purchase, is, therefore, the only question which remains to be examined and I have the honour to submit that this question can be more properly dealt with by the representatives of the Millowners in India, should the Tariff Board refer it to them. As far as the Indian Central Cotton Committee is concerned, their direct and main interest is the interest of the cotton grower and if the first proposition named in this paragraph is not challenged by the Tariff Board, I feel that I may leave this question at this point whilst dealing with the question raised by the President.

3. As regards the manner in which the long staple cotton crop is utilized, the results of my Committee's further investigations are stated below. In Appendix I will be found a statement showing the production of Indian cotton suitable for spinning 24's counts and above. This table has been drawn up on the same basis as Table II of my Committee's written evidence to the Board, and shows that the average production for the three cotton seasons 1929-32, was 714,000 bales of 400 lbs. weight. The whole of this cotton, however, was not available for commercial purposes. A portion was utilized for hand-spinning and other domestic purposes. When considering the whole of the Indian cotton crop of five to six million bales, it is generally accepted that 750,000 bales—about 15 per cent. of the crop—are used for domestic purposes. Assuming that the proportion of staple cotton used for domestic purposes is the same as for other types, then 15 per cent. of 714,000 bales, i.e., 107,000 bales, would be consumed locally leaving 607,000 bales for export and mill consumption.

4. With regard to the exports of the particular class of cotton under consideration it has to be pointed out that the seaborne trade statistics compiled and published by the Director-General of Commercial Intelligence and Statistics, which is the only *complete statistics for exports of cotton from India*, does not distinguish between the different varieties of cotton. There is, however, another set of statistics which is helpful. Through the courtesy of a number of exporting houses the Indian Central Cotton Committee have been able to collect details of exports to different countries classified according to the usual trade descriptions on the definite understanding that figures relating to individual firms would not be divulged to the public. These figures are given in Appendix II, and they show that the total average exports from India during the seasons 1929-31, were as follows :—

	Bales.
Hyderabad Gaorani (whole)	39,000
Tinnevellies (whole)	56,000
Cambodias (whole)	55,000
Westerns and Northerns *(half)	30,000
Kumpta-Dharwar *(one-third)	2,000
Broach *(less than a third estimate)	25,000
Punjab-American† (one-tenth estimate)	42,000
Total ..	249,000

N.B.—Figures for 1931-32, are not yet available.

From these figures it may be inferred that *not less than* 2.49 lakhs bales of long staple cotton were exported, leaving only 3.58 lakhs for consumption in Indian mills.

5. The words "*not less than*" are used here advisedly, because the returns received by the Indian Central Cotton Committee from exporters in this connection did not account for the entire exports from India of Indian cotton as published by the Director-General of Commercial Intelligence and Statistics. There is, therefore, every reason to believe that the above figures are, if anything, on the low side.

* On the same basis as Appendix I. † Only a rough estimate.

6. The next point for consideration is whether the whole of this long staple cotton was absorbed by Indian mills. As there was general agreement amongst the representatives of the various bodies referred to by me that there were no reports of unsaleable quantities of staple cottons during the seasons referred to, they believe that it is justifiable to infer that the long staple cottons available in India were absorbed by mills in India On the other hand, it is the general experience of mills that owing to scarcity the premiums which have to be paid for staple cottons increase in July, August and September.

7. The last point to be examined is whether the staple cotton which was absorbed by the mills was properly utilised, in other words, whether it was utilised in the production of finer count yarns. In the written evidence submitted to the Board by the Indian Central Cotton Committee, it was indicated that mills situated in areas in which long staple cotton is grown sometimes find it convenient to spin from staple cotton yarns of counts lower than those for which the cotton grown in the vicinity is suited. In this connection, it is necessary to bear in mind that cotton suitable for lower counts from other areas is comparatively more costly to such mills owing to the heavy cost of railway freight which such short staple cotton has to bear for import into these areas. To what extent staple cotton was spun into counts lower than it was capable of spinning may now be examined. In Appendix III will be found a table showing India's yarn production during the last ten years classified according to counts. In Appendix IV the calculated quantities of raw cotton, Indian and foreign, (at 1 lb. of yarn = 1.18 lb. raw cotton as worked out in Appendix V) necessary for the production of counts 24's and above are given separately. Consideration of these two tables shows that on the average of the last three years 398,000 bales of staple cotton must have been used in the production of 24's and above. This figure is reasonably close to the estimated figure of 358,000 bales of suitable staple cotton available to the mills taking into consideration the obvious shortcomings of our statistical data and other evidence available. It would not therefore be incorrect to infer that staple cottons are on the whole put to proper use by Indian mills bearing in mind the location of Indian mills as referred to above.

APPENDIX I.

CLASSIFICATION OF LONG STAPLE INDIAN COTTONS CAPABLE OF SPINNING 24's STANDARD WARP COUNTS AND ABOVE.

(In thousands of bales of 400 lbs. each.)

Long Staple—$\frac{7}{8}$ inch and above. *(As estimated in the forecasts.)*

		1931-32.	1930-31.	1929-30.
Oomras.—				
Hyderabad Gaorani	(entire)	115	126	125
Verum 262	(crops)	20	11	7
Broach.—				
Surat-Navsari mostly 1027 A.L.F. (Staple 1″) (estimated round figure).)		70	70	70
Kumpta-Dharwar.—				
Gadag 1 (Staple 1″)		13	11	16
Jayawant (Staple 1″)		12	7	10
Kumpta and Dharwar-Americans ($\frac{1}{3}$ of the remaining crop)		75	53	86
Westerns and Northerns.—				
Hagari 1 (Staple $\frac{7}{8}$″)	(half of the total crop)	28	91	86
Nandyal 14 (Staple 15/16″ to 1″) ..		2		
Others		81		
Tinnevellys.—				
Karunganni C-7 (Staple 1″)	(Entire crop)	140	129	162
Karunganni others (Staple $\frac{7}{8}$″) ..				
Others				
Cambodia.—				
Coimbatore-2 (Staple 1″)	(entire crop)	32	90	144
Irrigated Cambodia (Staple 1″) ..		59		
Others		30		
Punjab and Sind-Americans.—				
289-F (Staple 1″ to 1-1/16″)	(entire crop)	8	12	2
4-F (Staple $\frac{7}{8}$″)	(estimated round figure)	50*	50*	50*
Total long staple		735	650	758
Total for 3 years		2,143		
Average		714		

* Contains up to 10 per cent. mixture.

APPENDIX II.

Exports of Long Staple Cotton from India.

(In thousands of bales.)

Year ending 31st August.	Hyderabad Gaorani.	Punjab-American.	Sind-American.	Broach.	Kumpta Dharwar.	Westerns & Northerns.	Tinnevellies.	Cambodias.	Total.
1931-32	..	..	..	..	..	..	..	..	..
1930-31	24	418	34	81	2	44	42	45	690
1929-30	54	419	17	88	9	75	70	65	797
1928-29	44	328	10	59	23	70	76	17	627
1927-28	18	314	..	166	17	28	54	..	597
1926-27	11	252	..	112	1	10	46	2	434
1925-26	20	496	..	210	20	87	92	17	942
1924-25	5	365	..	285	35	83	117	67	957
1923-24	53	253	..	241	38	49	130	60	824
1922-23	5	91	..	262	23	42	26	36	485

APPENDIX III.

Yarn Production in India.

For years ending 31st March.

(In millions of pounds.)

Year ending 31st March.	Counts.							
	1–10.	11–20.	21–23.	24–30.	31–40.	Above 40.	Waste.	Total.
1931-32 ..	117	445	129	165	71	34	5	966
1930-31 ..	114	400	115	144	61	27	6	867
1929-30 ..	106	388	127	145	46	15	7	834
1928-29 ..	79	303	97	116	37	10	6	648
1927-28 ..	106	389	122	141	34	11	6	809
1926-27 ..	115	401	113	135	28	11	4	807
1925-26 ..	96	349	98	116	20	6	1	686
1924-25 ..	93	377	102	122	19	6	*	719
1923-24 ..	85	327	82	100	20	3	*	617
1922-23 ..	103	376	98	111	16	2	*	706

* Less than a million pounds.

APPENDIX IV.

Raw Cotton Consumed in Indian Mills.

(In thousands of bales of 400 lbs. nett.)

Year ending 31st March	Calculated (1 lb. yarn = 1.18 lb. raw cotton) quantity of raw cotton required to spin the yarn produced in India.				Net imports of Foreign * Cotton.	Indian cotton used for producing yarn 24s. and above.
	24–30.	31–40.	Above 40.	Total.		
1931-32	487	209	100	796	443	353
1930-31	425	180	80	685	327	358
1929-30	428	136	44	608	126	482
					Total ..	1,193
					Average ..	398

* Imports of foreign cotton less re-exports.

APPENDIX V.

CALCULATION OF WASTE PERCENTAGE RATIO FROM KNOWN COTTON CONSUMPTION AND YARN PRODUCTION.

(*Cotton in thousands of bales of* 400 *lbs.*)

Year ending 31st March.	Indian cotton consumed in Indian mills. (*a*)	Foreign cotton imported into India. (*b*)	Total cotton taken by Indian mills.	Yarn Production (In millions of pounds) (excluding waste).	REMARKS.
1931-32	2,342	443	2,785	961	(*a*) Figures compiled by the Indian Central Cotton Committee from cotton cess returns from British Indian mills and voluntary returns from Indian State mills.
1930-31	2,266	327	2,593	861	
1929-30	2,248	126	2,374	827	
1928-29	1,764	159	1,923	642	
1927-28	1,984	354	2,338	803	
1926-27	2,159	244	2,403	803	(*b*) It cannot be assumed that cotton imported during any year is consumed in the same year, but over a number of years the difference caused by this factor will not be appreciable.
1925-26	2,007	53	2,060	685	
1924-25	2,051	47	2,098	719	
1923-24	1,798	33	1,831	617	
Total ..	18,619	1,786	20,405	6,918	

For all nine years total cotton taken by mills .. .. .. = 20,405,000 bales.
= 8,162,000,000 lbs.
For all nine years total yarn production .. .. = 6,918,000,000 lbs.
: 1 lb. yarn .. .. = 1,1798 lb. cotton.
For last two years total cotton taken by mills .. .. .. = 5,378,000 bales.
= 2,151,200,000 lbs.
For last two years total yarn production .. .. = 1,822,000,000 lbs.
: 1 lb. yarn .. .. = 1,806 lb. cotton.

Hence the general average may be taken as 1 lb. yarn = 1.18lb. cotton.

APPENDIX 24.

STANDARDS FOR EAST AFRICAN COTTON.

No. 33.

Copy of notice No. 33 *dated the* 23*rd September* 1932, *of the East India Cotton Association Ltd.,*

IMPORTANT NOTICE.

In continuation of notice No. 466/A/75 dated 1st July 1931, it is hereby notified for the information of the members of the Association and, especially those members who deal in Uganda cotton, that the Board of Directors of the Association, after having carefully

considered certain recommendations recently made by the Special Appeal Committee on African Cotton, have recorded the following conclusions thereon :—

1. *Adoption of rejection standards for African cotton.*—That the rejection standards for African cotton be prepared by the Standards Committee as soon as possible and that the difference between " Pass " and " Rejection " standards be determined by the Daily Rates Committee and that pending the preparation and passing of such boxes by the Standards Committee, the following recommendation regarding rejection difference be put into effect :—

> " The buyer shall be entitled to reject the cotton if the final award in arbitration, or appeal exceeds 3 per cent. up to the market value of Rs. 250 per candy and 2½ per cent. up to the market value of Rs. 500 per candy, of the day upon which the final award in arbitration or appeal is made."

That the rejection differences referred to in the preceding para shall automatically cease to operate immediately after the preparation and passing by the Standards Committee of the rejection boxes.

2. *Right of re-tender.*—That a seller of African cotton should not be given the right to re-tender cotton after arbitration has been held, inasmuch as such a concession would be tantamount to a breach of the mandatory provisions of By-law 73, subject to which contracts in African cotton are made.

3. *Time for preparing Official Standards.*—That the standards for African cotton be prepared after the 15th of April and be put into use not later than 15th of May.

4. *Basis for survey on 'Best' AR contracts.*—That the Association should not officially recognise any contracts made otherwise than on the ' AR ' basis and it was suggested that surveys in respect of cotton tendered against contracts for qualities other than ' AR,' be made on the basis of private types or sealed samples.

5. *Preparation of standards in future.*—That in future standards for African cotton be prepared by the Standards Committee, which is entrusted with the work of preparing standards for Indian cotton, and that an appeal shall lie against any standard or standard. so passed by the Standards Committee, to the Special Appeal Committee on African Cottons.

Consequential amendments to relevant By-laws of the Association for the purpose of implementing the above decision will be made as soon as possible.

It is further notified that pending the adoption of rejection standards by the Association, the rejection differences shall continue to be fixed by the Daily Rates Committee on the basis mentioned in item No. 1 above.

Copy of letter No. 2052/195, *dated the 25th October, from the Association to the Secretary, the East India Cotton Association Ltd., Bombay.*

The attention of my Association has been drawn to a notice No. 33 dated 23rd September 1932, recording the conclusions of the Board of your Association on certain recommendations made by the Special Appeal Committee on African Cotton.

My Committee, however, wish to draw your Board's attention to the lack of definition in paragraph 3 of the notice. It is there stated that the standards for African Cotton are to be prepared after the 15th April and put into operation not later than the 15th May. From this it would appear that it is the intention to prepare new standards every year. My Committee maintain that the interests of both buyers and sellers demand that once standards are fixed they should be of a permanent character, and trust that the East India Cotton Association will take the necessary steps to modify their conclusions so as to provide for the fixation of permanent and immutable standards.

Copy of letter No. 1249/*A*/75(3), *dated the* 14*th November* 1932, *from the East India Cotton Association, Ltd., to the Association.*

I am directed to acknowledge the receipt of your letter No. 2052/195 dated the 25th October 1932 and to say that it is the intention of the Board to prepare new standards for African Cotton from year to year and that the new boxes will be prepared from new crop cotton as exact copies of existing boxes. In fact, the Board intend to follow the same principle that underlies the preparation of standards for Indian growths of cotton, viz., to keep the standards uniform, as far as practicable, and *not to make them from year to year representative of the average quality of the season.*

Copy of letter No. 2284/195, *dated the* 29*th November* 1932, *from the Association, to the Secretary, East India Cotton Association, Ltd., Bombay.*

I am directed to acknowledge receipt with thanks your letter No. 1249/A/75(3) dated 14th November. My Committee note that it is the intention of your Board to prepare new standards for East African Cotton from year to year and to keep the standards uniform "as far as practicable" and not to make them from year to year representative of the average quality of the season. My Committee consider that this assurance would not adequately protect the interests of the buyer. They would once again desire to point out that once the standards are fixed they should be of a *permanent* character, immutable and adhered to for all time and not only " as far as practicable." They would, therefore, greatly appreciate it if your Board could grant them an assurance accordingly.

Copy of letter No. 1703/*A*/75, *dated the* 16*th December* 1932, *from the East India Cotton Association, Ltd., to the Association.*

Re :—UNIFORMITY OF STANDARDS FOR AFRICAN COTTON.

I am directed to acknowledge the receipt of your letter No. 2284/195 dated 29th November 1932 and to state that the question of preparing permanent and immutable standards for a foreign growth of cotton like the African Cotton for all times is of great importance to both the buyers and sellers of African Cotton. However, having regard to the fact that the standards prepared by this Association for this class of cotton have been in use only for the last two seasons, my Board have decided to refer the question raised in your letter to the Association in general meeting to be convened for Monday, the 16th January 1933, for an expression of their views thereon.

I am to add for your information that replicas of the standards prepared for the season 1931-32, have been forwarded to the Director of Agriculture and Chairman, Cotton Grading Committee, Uganda, for favour of the views of his Committee, which are still awaited.

APPENDIX 25.

DIVERISION OF IMPORT TRADE IN COTTON FROM BOMBAY TO BHAVNAGAR.

Copy of letter No. 1221/343, *dated the* 6*th May* 1932, *from the Chairmen of the Bombay Chamber of Commerce, and the Millowners' Association, Bombay, to the Secretary to the Government of India, Commerce Department, Simla.*

We have the honour to refer to the letter No. 630/343 addressed to you by the Bombay Chamber of Commerce on the 3rd March 1932, in which attention was drawn to the diversion of the trade in imported raw cotton from Bombay to Bhavnagar due to the exceptional facilities, such as free storage for prolonged periods, low rates of interest on advances against cotton,

free insurance and very low railway freight that were being offered to importers by the State. The Chamber maintained that these special facilities could only be given because of the unique treaty rights enjoyed by Bhavnagar State and that advantage was being taken of these rights to encroach upon the revenues of the Government of India. The Chamber urged that immediate steps should be taken for removing the duty on imported cotton as it was felt that the existence of this duty was mainly responsible for the serious loss of trade.

2. Since the above letter was written the question has again received the earnest consideration of the Bombay Chamber of Commerce and the Bombay Millowners' Association in consultation, and they think that if the Government of India cannot see their way, owing to the present financial situation, to forego the revenue they at present receive from the duty, other ways and means should be considered by which the Government of India would still receive the same amount of revenue as they get from imported cotton while the trade of Bombay would not be handicapped by the competition of Bhavnagar Port.

3. It is estimated that the Cotton Mills at Ahmedabad consume approximately from 80 to 100 thousand bales of foreign cotton per annum and if as seems likely the whole of the Ahmedabad mill requirements of Egyptian and East African Cotton are imported via Bhavnagar in future the revenue of the Government of India from the duty will be over Rs. 15 lakhs less than it would be if the cotton were imported through Bombay. Put in another way, the revenues of the State of Bhavnagar will benefit to the extent of about Rs. 15 lakhs per annum from Customs duties on raw cotton, imported almost entirely for use in cotton mills situate in British India, and the revenues of British India will suffer by a like amount. Moreover there is of course the possibility of the Bhavnagar State making arrangements for the fumigation of American cotton at that Port, in order to attract that type of cotton, in which case during years like the present when Indian cotton is scarce and American cotton cheap and plentiful, revenue which would ordinarily accrue to the Government of India might be largely diverted to the State of Bhavnagar. That the danger mentioned above is a real one is evidenced by the fact that during the last three weeks nearly 20,000 bales of East African Cotton have entered India through the Port of Bhavnagar against a total of less than 10 per cent. of that quantity during the whole of last year.

4. After a careful consideration of all the pros and cons of the question we are of the opinion that it would be advisable to abolish the Customs Import Duty on Raw Cotton and substitute therefore a consumption tax of the same amount on all imported cotton used by mills in British India and in Indian States. This consumption tax could be collected by a method similar to that adopted for the collection of the cess on Indian cotton and the cost of collection would be negligible. Enquiries made go to show that there would be no difficulty whatsoever in differentiating between Indian and imported cotton at the mills or in checking arrivals at the mills.

5. The adoption of the above proposal would in our opinion effectively serve the dual purpose of protecting the revenues of the country and preventing any great diversion of trade from Bombay to Bhavnagar.

6. We trust that the proposal will receive the earnest and immediate attention of the Government of India and that very early action will be taken to carry it into effect.

Copy of letter No. R. Dis. No. 197-Cus. 11/32, dated the 5th December 1932, from the Joint Secretary to the Government of India, to the President, Bombay Chamber of Commerce.

YOUR LETTER No. 1221/343, DATED THE 6TH MAY 1932.

With reference to the letter quoted above, I am directed to say that the Government of India have given the most careful consideration to the proposal of the Chamber that the import duty on raw cotton should be replaced by a consumption tax. The adoption of the

proposal is fraught with various difficulties and obstacles of a serious character. After a full examination of the question, the Government of India have found it impossible for them to take the course suggested.

APPENDIX 26.

DUTY ON IMPORTED COTTON.

Copy of letter No. 364, *dated the* 21*st September* 1932, *from the Offg. Secretary, Indian Central Cotton Committee, to the Secretary, Indian Tariff Board.*

In continuation of my letter No. 363, dated the 21st September 1932, I have the honour to say that the representatives of the Indian Central Cotton Committee who appeared before the Tariff Board to give oral evidence on behalf of the Committee have further examined the question of margin to be allowed in the length of staple for the purpose of import duty on foreign cottons. They are of the opinion that one inch and below should be given effective protection and that this object would be achieved if the maximum length of staple is fixed at 31/32 inch with a margin of 3/64 inch.

Copy of letter No. 1976/121, *dated the* 12*th October* 1932, *from the Association to the Secretary, the Tariff Board.*

The attention of my Committee has been drawn to the written reply sent by the Indian Central Cotton Committee to a question put to the Committee by the President of your Board when their oral evidence was taken. The question referred to dealt with the margin to be allowed for indirect competition and errors of testing in fixing the staple length for purposes of import duty on foreign cotton, and the Indian Central Cotton Committee in their letter of the 21st September stated that they were of the opinion that cottons of 1″ staple and below should be given effective protection and that this object would be achieved if the maximum staple length of cotton were fixed at 31/32″ with a margin of 3/64″. The views of my Committee on this matter do not coincide with those of the Central Cotton Committee. As the question vitally affects the textile industry, my Committee would like to submit a few observations.

2. The present position is that there is a duty of half an anna per pound on all imported cotton, whatever its staple length, but it has to be remembered that this duty was imposed purely for revenue purposes, and the Finance Member himself admitted that it was in some ways inconsistent with the previous policy of the Government of India. In a letter to the Government of India dated 2nd November 1931, the Association voiced its opposition to the duty on cotton mainly on the ground that it offended against the canons laid down by the Fiscal Commission, and that it would hamper India's progress in the production of yarns and cloths of finer counts for which the raw material must necessarily be imported. Realizing the revenue difficulties of the Government of India, however, the Association suggested that Government might well consider the grading of the tariff so as to tax only those varieties of imported cotton which competed directly with Indian cotton, and indicated that a duty of half an anna per pound on cottons of $\frac{7}{8}$″ staple or less would probably meet the case if revenue considerations made a duty imperative.

3. The circumstances to-day are somewhat different from those which existed when the Association addressed the Government of India in November, by reason of the fact that at the present moment the amount of protection to be given to the industry is being considered in all its bearings by your Board. That being the case, provided your Board come

to the conclusion that it would be advantageous to the growers of cotton in India to impose a duty upon cotton imported from abroad, then my Committee maintain that the most equitable method of protecting the interests of the cultivator without damaging the competitive capacity of the mills would be to impose the same rate of duty per pound on all cottons and increase the protection found necessary on yarn and cloth by a corresponding amount. The reason for advocating this procedure is that if a dividing line is drawn to define competitive and non-competitive imports, the parity between long and short-staple cottons would be upset, and demand might be switched from taxed to untaxed cotton to the disadvantage of the cotton grower in India. Suppose, for instance, cotton of 1″ staple and under were to be taxed and longer cotton admitted free : it is more than probable that the mills in this country rather than pay exorbitant prices for 1″ cotton would buy untaxed 1 1/16″ cotton and the advantage of the duty to the cotton grower would be considerably reduced. This could not happen if all cottons were equally taxed, and the interests of the cotton mills and the handloom industry were protected by the imposition of correspondingly higher duties on cloth and yarn, though it must be admitted that the interests of the consumers might be penalised to some extent if large scale production of finer cloths did not effect a substantial reduction in manufacturing costs.

4. If, however, the Tariff Board after full consideration are of opinion that the interests of both the cultivator and the consumer demand the imposition of a duty only on directly competitive imported cotton, or higher duties on competitive than on non-competitive imported cottons, then my Committee maintain that the dividing line should be 29/32″ cotton with a margin of 1/32″ on the higher side. This would mean in effect that 15/16″ cotton would be subject to a higher duty than cotton of 1″ staple and over. My Committee's reasons for fixing the dividing line at a slightly lower figure than that recommended by the Central Cotton Committee is that there has for a number of years been a definite deficiency of long staple Indian cotton. This shortage was referred to in letter No. 263 sent to the Tariff Board by the Indian Central Cotton Committee on 21st September 1932. In paragraph 6 of that letter, it is stated : " As there was general agreement amongst the representatives of the various bodies referred to by me that there were no reports of unsaleable quantities of staple cottons during the seasons referred to, they believe that it is justifiable to infer that the long staple cottons available in India were absorbed by mills in India." It is, moreover, the general experience of mills that owing to scarcity, the premiums which have to be paid for staple cottons are consistently high in July, August and September, and that for some time past all Indian cottons have been high in parity compared to Americans.

5. This point is more clearly brought out in the statement attached hereto, which is based on the appendices to the Indian Central Cotton Committee's letter to the Tariff Board dated 21st September last.

With such a heavy deficiency of Indian cotton of over ⅞″ staple, it is somewhat difficult to believe that it is necessary to give artificial protection against imports of cotton of 1″ staple, as recommended by the Central Cotton Committee, especially when the demand for long staple Indian cotton is increasing so rapidly from year to year. Finally, my Committee wish to make it perfectly clear that they are opposed to any form of duty on imported raw cotton unless for the time being the finances of the country make such a duty imperative, and that even if a duty is necessary for revenue purposes, an additional corresponding duty should be imposed on cloth.

		1929-30.	1930-31.	1931-32.
Yarn of 24s and above produced in India.	lbs.	206,000,000	233,000,000	270,000,000
Converted into bales of 400 lbs. of cotton (85 lbs. yarn = 100 lbs. of cotton) ..	B/s	606,000	685,000	794,000
Average cotton required during the last three years to produce yarns 24s and above			695,000	bales.

Against the above figure, there were the following supplies of cotton of over $\frac{7}{8}$" staple :—

Supplies of Indian Cotton of over $\frac{7}{8}$" staple :— (Average of last three years.)		
Hyderabad/Gaorani (25% of average crop)	30,000	bales.
Surat/Navsari	70,000	,,
Gadag	13,000	,,
Jayawant	10,000	,,
Tinnevellies (50% of average crop)	72,000	,,
Cambodia	122,000	,,
Punjab/American—289F	7,000	,,
Total supplies of Indian long-staple cotton	324,000	bales.
Plus American (12 months' average on basis of 32 months' imports)	116,000	,,
Plus Egyptian (average of last 3 years' imports)	83,000	,,
Plus East African Cotton (average of last 3 years' imports)	127,000	,,
Total supplies of cotton (Indian and imported) of over $\frac{7}{8}$" staple	650,000	bales.
Cotton required for production of yarns of 24s and upwards	695,000	bales.

Note.—The deficiency shown above in the supply of cotton of over $\frac{7}{8}$" staple would be considerably increased if allowances were made for the exports of long-staple cotton—which have been fairly considerable in recent years—and for the staple cotton used for domestic purposes. The total deficiency of staple cotton must have been made up by using cotton of $\frac{7}{8}$" staple or less in mixing for 24s count.

APPENDIX 27.

PROTECTION TO THE INDIAN COTTON TEXTILE INDUSTRY—TARIFF BOARD.

RESOLUTION.

TARIFFS.

New Delhi, the 9th April 1932.

No. 341-T. (150).—By the Cotton Textile Industry (Protection) Act, 1930, protective duties were imposed on cotton piecegoods for a period of three years in order to give the cotton mill industry in India temporary shelter against foreign competition. These duties are fixed at a lower rate on piecegoods of British than on those not of British manufacture. By the same Act the operation of the duty imposed by the Indian Tariff (Cotton Yarn Amendment) Act, 1927, was extended for a further period of three years on account of the unfair competition arising from the prevalence of inferior labour conditions in China. These duties will expire on the 31st March 1933. An assurance was, however, given by Government to the Legislature, when the Cotton Textile Industry (Protection) Bill was under consideration, that before the termination of the three-year period the effect of the duties on the production of cotton piecegoods in India and on the Indian cotton textile industry would be examined in a Tariff Board enquiry.

2. Since the Cotton Textile Industry (Protection) Act was passed three noteworthy changes have occurred. In the first place, the rates of duty imposed on cotton piecegoods under the Act have been raised by two successive Finance Acts, and are now levied at a rate

substantially higher than the Legislature found to be necessary to give temporary shelter to the indigenous industry. In the second place, a very large increase has occurred in the imports of piecegoods made wholly or partly of artificial silk, and the duties on such goods have been raised to the rates applicable to goods made wholly or partly of real silk. Finally, the Government of India have decided to discuss at the forthcoming Imperial Conference at Ottawa the question whether Great Britain and India should enter into a trade agreement embodying a preferential tariff regime so designed as to benefit the trade of both countries.

3. The Government of India consider that the Tariff Board enquiry should now be undertaken. The Board is requested to examine the following questions and to make recommendations :—

(1) Whether the claim of the Indian cotton textile industry to protection has been established ;

(2) If the claim is found to be established, in what form protection should be given and to what extent ;

(3) If it is proposed that protection should be given by means of import duties—

(*a*) whether the same rate of protection is required against the competition of goods manufactured in the United Kingdom as against the competition of goods manufactured elsewhere ; and

(*b*) what rates of duty are recommended in respect of—

(i) cotton piecegoods,

(ii) piecegoods made wholly or partly of artificial silk, and

(iii) cotton twist and yarn, according as they are manufactured—

A. in the United Kingdom,

B. elsewhere.

In making its recommendations the Tariff Board will take all relevant considerations into account including that stated in part (*b*) of the Resolution adopted by the Legislative Assembly on the 16th February 1923. In particular, the Board is requested to consider how its recommendations will affect the handloom weaving industry.

4. Firms or persons interested who desire that their views should be considered by the Tariff Board should address their representations to the Secretary to the Board.

APPENDIX 28.

DEPRECIATION IN YEN EXCHANGE.

Copy of letter No. 1237/147, *dated the* 30*th June* 1932, *from the Association to the Secretary to the Government of India, Department of Commerce, Simla.*

I have the honour to confirm the following telegram addressed by the Chairman of the Association to the Honourable the Commerce Member on the 28th June, 1932 :—

" Millowners' Association Bombay invite Government's urgent attention to serious menace to Textile Industry arising from continued and alarming depreciation of Japanese Yen stop. It has slumped to half of what it was six months ago and is greatly below

parity which existed when both Japan and India were on Gold Standard thus giving enormous advantage to Japanese exporters stop This depreciation coupled with recent cotton and exchange operations has resulted in Japanese yarn and piecegoods being sold in Indian market at ruinous rates stop Association earnestly request Government take immediate action similar to that taken in Canada Australia South Africa and other countries imposing additional duties equivalent to reduction in selling price owing depreciated value of exchange stop. Situation likely become even more serious in near future as large orders have been booked for forward delivery and industry cannot afford to wait until Tariff Board reports stop. Association invite Governments attention to Act XIV of 1899 and urge that depreciation of exchange should be regarded as indirect bounty as in France where action was taken by Presidential Decree on 12th November last under analogous circumstances stop. Association submit Government should take immediate action and impose additional duty on Japanese goods equivalent to difference between normal and present parity."

Copy of letter No. 1377/147 *dated the* 23*rd July* 1932, *from the Association to the Secretary to the Government of India, Department of Commerce, Simla.*

I wired you yesterday as under :—

" Millowners' Association Bombay on behalf of Indian Textile Industry urge Governor-General in Council after necessary enquiry to take early action under Section 3 (5) of Tariff Act read with relevant item in import tariff schedule and raise duties on imported foreign cotton piecegoods in view of abnormal competition rendering ineffective Protection afforded by present duties stop. Letter setting forth grounds of application follows."

2. I beg to confirm the telegram, and to state as briefly as I can the grounds on which we are urging the Governor-General in Council to take action under Section 3 (5) of the Indian Tariff Act of 1894.

3. As Government are aware, the Yen has depreciated heavily during the last few months. From the peak attained immediately before Japan went off the gold standard, there has been a drop of 50 per cent. in the rupee value of the Yen. The drop from normal parity has been about 25 per cent. The indications are that this depreciation will continue for a considerable time, and may even be accentuated. Coupled with the circumstance that Japanese industrialists bought enormous quantities of American cotton, and remitted large sums abroad to finance further purchases of raw materials before Japan went off the gold standard, and Japanese houses in India covered exchange some time ago to the tune of millions of pounds at favourable rates, the depreciation of the Yen constitutes a factor which is calculated to inflict serious injury to the Textile Industry of India.

4. At the Conference which the representatives of my Association and other bodies had with the Honourable the Commerce Member and the Honourable the Finance Member, figures were given showing how the combination of these factors was being reflected in the prices at which Japanese goods have been marketed in India during the last few months. Briefly recapitulated, the figures show that since the Yen depreciated from its normal parity of about Rs. 137 per *Y* 100 in February 1932, to about Rs. 104 per *Y* 100 at the end of June, C.I.F. prices of Japanese cloth and yarn have been reduced by 25 per cent. to 30 per cent. In the case of artificial silk piecegoods, the rates at which Japanese manufactures are being sold absolutely defy competition. When it is taken into consideration that the prices realized by Indian mills for their manufactures have been below the cost of production even in the most efficiently managed mills, it will be realized how the continuous drop in the price of Japanese imports, which had been taking place for a long time, and which has been precipitated by the depreciation of the Yen is affecting the Industry. Even if the Yen were to appreciate in the immediate future, it would have no effect on the position of the local manufactures as heavy orders for Japanese goods have been booked at very low rates for the next few months.

The figures for June show an alarming increase in the rate of imports into Bombay, and there is every reason to fear abnormal arrivals in the next few months. The figures for the other ports are not yet available, but they are likely to point to the same condition of things.

5. The results are reflected in the number of spindles and looms which have had to be stopped in Bombay within the last few weeks. The returns for 30th June, show that there were over 550,000 spindles and over 8,500 looms stopped on that date, taking into consideration both single and double shift working, as against only 30,000 spindles and 1,200 looms stopped on the 30th April. In spite of this reduced activity, stocks of cloth in the hands of mills have gone up by 45,000 bales over the figure of 29th February, and of yarn, by 12,000 bales in the same period.

6. It is apparent that action is urgently called for if the Industry is to be saved from ruinous competition, aggravated at a time when its position is exceedingly weak. Unfortunately, in the absence of statutory provisions such as exist in most other countries, the Government of India can only take action in a limited field. Apart from the promulgation of an Ordinance, which I urged at the Conference at Simla, and for which a precedent exists, it would appear that the only immediate action Government can take is under Section 3 (5) of the Indian Tariff Act of 1894. That section can help the Industry only in respect of cotton piecegoods, and leaves unprotected yarn and artificial silk piecegoods where competition is equally severe. This is a very unfortunate state of things, but if, as Government have indicated, there is no other provision in the law of the land, enabling them to take immediate executive action, the only thing the Industry can do is to invoke the application of that section. I put forward that demand at the Conference at Simla, and the representatives of other bodies present at that Conference supported it. In due course, proposals will be submitted to Government by the various bodies concerned to enact legislation which will enable them to deal with such abnormal situations in the future more promptly and effectively than appears possible at present. If I may be permitted to stress the obvious, irreparable injury might be done to the interests of the country if, in cases of emergency, Government were to find themselves in the position of being unable to do anything without reference to the Legislature.

7. The basis of this application is the depreciation in the rupee value of the yen and the abnormal drop which has taken place in the prices of Japanese goods. Should the Government of India, for some reason, find that it is not possible to take action against Japan alone, it is submitted, they should impose additional duties against the imports of cotton piecegoods from all foreign countries. The volume of such imports is barely 7 per cent., of the total, and their inclusion would not injure the interests of the consumer. My Association will, if called upon, deal with this and other considerations fully when the matter is before the Tariff Board.

No. 341-T (161).

SIMLA, *the 25th July* 1932.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

RESOLUTION.

Tariffs.

The Government of India have received an application from the Indian Cotton Textile Industry requesting that the Governor-General in Council, in exercise of his powers under Section 3(5) of the Indian Tariff Act, 1894, should increase the duty leviable on cotton piecegoods not of British manufacture under item 158 in Part VII of the Import Tariff on the ground that such articles are being imported into British India at a price likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India.

2. The Government of India have decided that an immediate enquiry should be made by the Tariff Board with the following terms of reference :—

To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such articles under Part VII of the Second Schedule of the Indian Tariff Act, 1894, by the Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India ; and, if so, to consider—

(*a*) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods not of British manufacture or in respect of cotton piecegoods, plain grey only or of cotton piecegoods, others, only ;

(*b*) whether the duty should be increased generally, or in respect of such articles when imported from or manufactured in any country or countries specified ; and

(*c*) for what period any additional protection found to be required should be given, and to make recommendations.

3. Firms or persons interested who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary to the Board, Old Custom House, Bombay.

4. The Government of India hope that it will be possible for the Tariff Board to submit its report at a very early date.

GOVERNMENT OF INDIA, DEPARTMENT OF COMMERCE.

SIMLA, *the 25th July* 1932.

Press Communique.

The Government of India have received representations from the Bombay Millowners' Association and the Ahmedabad Millowners' Association requesting them to take immediate action to impose additional duties on Cotton manufactures imported from Japan in view of the recent fall in the price of such goods occasioned by the depreciation of the yen in terms of the rupee. This request has been supported by a number of Chambers of Commerce and other commercial associations, including the Bombay, Bengal, Upper India, Karachi and Mysore Chambers of Commerce, the Indian Chamber of Commerce, Calcutta, and the Indian Merchants' Chamber, Bombay. While the majority of these representations have laid special stress on the need for immediate action of the nature indicated in respect of manufactures of cotton the further request has been made to the Government of India to take power to impose additional duties upon articles of various kinds the price of which has been similarly affected by depreciation of the currency in the country of origin.

2. Of the imported articles in respect of which emergent action has been requested the existing law permits the imposition of additional duties by executive action only upon Cotton piecegoods not of British manufacture. The power in question is given by Section 3 (5) of the Indian Tariff Act, 1894, which runs as follows :—

" If the Governor-General in Council is satisfied, after such enquiry as he thinks necessary, that articles not of British manufacture chargeable under Part VII of the Second Schedule with a higher duty than similar articles of British manufacture are being imported into British India from any place outside India at such a price as is likely to render ineffective or excessive the protection intended to be afforded by such duty to similar articles manufactured in India, he may, by notification in the *Gazette of India*, increase or reduce such duty to such extent as he thinks necessary either generally or in respect of such articles when imported from or manufactured in any country or countries specified in the notification ;

Provided that the duty leviable on any such article shall in no case be less than the duty leviable on a like article of British manufacture."

In addition to certain articles of iron and steel, cotton piecegoods alone are chargeable in the tariff with different rates of duty according as they are or are not of British manufacture. Specific applications for the immediate exercise of the power referred to above have now been received from the Millowners' Associations of Bombay and Ahmedabad, and, on consideration of those applications, the Government of India have decided to refer immediately to the Tariff Board the question whether the imposition of additional duties under the power conferred by Section 3 (5) of the Indian Tariff Act is required. The question whether further action will be taken is under consideration.

Telegram addressed by the Chairman of the Association to the Secretary to the Government of India, Department of Commerce, Simla, dated 28th July 1932 :—

" Greatly appreciate reference to Tariff Board. Would strongly urge desirability of widening terms of reference to include cotton yarn and artificial silk piecegoods so that if Tariff Board recommend Government can introduce bill for temporarily raising duties during September Session."

Copy of letter No. 1428/147 *dated the* 30*th July* 1932, *from the Association to the Secretary, the Tariff Board, Bombay.*

In a Press *Communique* dated the 25th July 1932, the Government of India stated that they had received an application from the Indian Cotton Textile Industry requesting that the Governor-General in Council in exercise of his powers under Section 3(5) of the Indian Tariff Act, 1894, should increase the duty leviable on cotton piecegoods not of British manufacture under item 158 in Part VII of the Import Tariff Schedule, on the ground that such articles are being imported into British India at a price likely to render ineffective the Protection intended to be afforded by such duty to similar articles manufactured in India. The *Communique* then went on to state that the Government of India had decided that an immediate enquiry should be made by the Tariff Board, and specified the terms of reference. The *Commnnique* of the Government of India had been immediately preceded by an application from the Chairman of my Association, stating in outline the grounds on which the Textile Industry was urging the Governor-General in Council to take action under Section 3(5) of the Indian Tariff Act. I enclose a copy of that application as also a copy of a telegram addressed to the Government of India after the terms of reference to the Tariff Board became known.

2. Your Board has been asked to report whether foreign cotton piecegoods are being imported into India at such a price as to render ineffective the Protection afforded by the Cotton Textile Industry Protection Act of 1930. That Act imposed a duty on piecegoods of 20 per cent. *ad valorem*, and in the case of " plain greys " an alternative duty of 3½ annas per pound. Subsequent surcharges levied for revenue purposes in March 1931 and October 1931, raised the duties on foreign cotton piecegoods to 31¼ per cent. and the specific duties on " plain greys " to 4.475 annas per pound. The duties on cotton yarn were also raised in the same period to 1⅞ annas per pound, and on art. silk piecegoods to 50 per cent. *ad valorem*. It is the contention of the Association, as set forth in their original representation to the Board, that the Protection afforded by the present scale of duties, has proved inadequate, and that mills have been unable to obtain a fair selling price for their manufactures. This is amply borne out, among other things, by the fact that the wholesale prices at which many lines of Japanese piecegoods have been sold in July 1932, are considerably lower than the prices at which the same goods were being sold in January 1930, even after allowing for the drop in the prices of cotton, and despite the fact that the import duty on piecegoods had in this period been raised from 11 per cent. to 31¼ per cent.; in the case of yarn, from 1½ as. to 1⅞ annas per lb.; and in the case of art. silk piecegoods, from 15 to 50 per cent. *ad valorem*. The drop in the price of Broach cotton in the period stated was roughly equivalent to 2½ annas per pound, and this would have justified in the case of say, " Bow and Arrow' '

chhap shirting, a reduction in price of about Re. 1-8-0 per piece, had the import duty remained at the same figure. As a matter of fact, the drop was Re. 2-13-0. In the case of 5151 grey shirting, the proper reduction should have been Re. 1-1-0 per piece ; it was Re. 1-14-0 per piece instead. It has to be pointed out in this connection that the price at which Indian mills have got to sell their goods in order to compete against Japan is the C.I.F., price plus the duty, and for the last month or two, this has been considerably below the wholesale market quotations referred to above. In the case of the " Bow and Arrow " grey shirting, the latest C.I.F., quotation in Bombay was Rs. 5-14-0 per piece for forward delivery. The duty payable on this quality amounts to Rs. 2-12-0 per piece. This means that Indian mills, in order to obtain business, would have to sell similar qualities at something less than Rs. 8-10 per piece, which is much below their bare cost of production.

3. The contention that the Protection afforded by the present duties has proved inadequate to ensure a fair selling price for the manufactures of Indian mills is partly borne out by the fact that in 1930 the losses made by the Industry in Bombay amounted to 237 lacs of rupees. Complete figures for 1931, are not yet available, but a rough statement prepared from the Balance Sheets of 41 mills shows a loss of 53 lacs of rupees during the year.

4. The position of the Industry has grown worse during the last few months owing to the abnormally low prices at which Japanese goods have been and are being sold, largely as a result of the depreciation which has taken place in the value of the Yen. These prices are in many instances 40 per cent. below the bare cost of production, exclusive of depreciation, profit and interest on working capital in the most efficiently managed Indian mills. The volume of imports has gone up also, and the June figures for Bombay, which are the latest available, indicate in a striking manner the impetus given to Japanese exports to India. In the case of yarn, Japan sent to Bombay 1½ million pounds in June as compared with less than 800,000 pounds during the previous month. The figures for cotton piecegoods show an increase of as much as 10 million yards in the course of one month, while the imports of art. silk piecegoods reached the record figure of 7.7 million yards.

5. A close watch has been kept by the Association on the prices of Japanese piecegoods since the value of the Yen began to fall below the more or less normal parity of Rs. 140 Y100, which prevailed in February this year. Enclosure No. 4* gives a record of the C.I.F. transactions recently effected in Bombay in various classes of goods. These show that in almost all cases, the price reduction has been more than equivalent to the drop in the exchange value of the Yen. Quotations received from the Southern India Chamber of Commerce show a similar condition of affairs in the Madras market.

6. Enclosure No. 5 * shows the prices of Japanese goods for ready and forward deliveries in the Calcutta market.

7. Two more enclosures* are attached compiled from Japanese sources, which provide confirmation of the fact that the drop in the C.I.F. rupee price for Japanese lines of piecegoods has been in the region of 30 per cent. since the middle of February 1932.

8. As regards cotton yarns, the position is equally serious : Japanese quotations are in all cases very considerably below the cost of production in the best Indian mills. In art. silk goods, the quotations show that the wholesale market price, including 50 per cent. duty is about half of what it was about fifteen months ago, when the duty was only 15 per cent.

9. On a consideration of all the facts stated in this, and in the general representation submitted to your Board, my Association contend that a case has been made out for an immediate increase in both the specific and *ad valorem duties* on grey cotton piecegoods imported from Japan, and the *ad valorem* duty on all other classes of Japanese cotton goods. As to the extent of the increase, my Association submit that it should be at least sufficient to offset the reduction in price that has taken place, particularly during the last few months. If the figures prove a reduction of 30 per cent. in the rupee C.I.F. price, then the additional duty required will be roughly 50 per cent. A similar estimate of the additional Protection required against Japan has been made in a letter received by the Chairman of my Association from the Indian Chamber of Commerce, Calcutta, which has asked my Association to represent them in this enquiry.

*Not printed.

10. As pointed out in the application made by the Chairman of my Association to the Government of India, the basis of the demand for an immediate addition to the import duties is the depreciation in the value of the Yen, and the abnormal drop which has taken place in the prices of Japanese goods. If, however, the Government of India find themselves unable to take executive action in the face of the Indo-Japanese Trade Convention, or for any other reason, it is submitted, increased duties should be levied against all foreign countries. The imports of piecegoods from foreign countries other than Japan constituted in 1931, less than 7 per cent. (including art. silk piecegoods) of the total imports, and additional duties such as are suggested would not, under these circumstances, appreciably affect the interests of the consumer.

11. The Protection which the Industry requires to meet the emergency which has arisen should not be for a period of less than six months. If during that period, the value of the Yen in terms of the rupee appreciates, my Association submit that no change should be made in the rate of the special duty for the reason that Japan has already had the benefit of a depreciated exchange for several months during which she has sold her goods freely not only for ready delivery, but for shipments as far ahead as November and December, and an appreciation of the Yen in the immediate future would not affect the position in the least. On the other hand, in view of the possibility of a further depreciation in the value of the Yen, it is essential that the Government of India should be in a position to increase the special duty by executive action without any further enquiry at every drop of, say, 10 per cent. in the exchange value of the Yen.

12. In conclusion, my Association regard it as most unfortunate that executive action is not possible in the case of yarns and art. silk piecegoods. If, however, a case is made out, the Government of India should certainly be in a position to introduce legislation in the September Session of the Legislature increasing the duties on imports of these goods. In the enclosures to this representation, figures have been given showing that the situation with regard to yarn and art. silk piecegoods is the same as that of cotton piecegoods, and if the Tariff Board are precluded from making any recommendations in respect of goods other than cotton piecegoods, it is submitted, they may at least indicate, on the materials placed before them, what the position is in respect of those types of goods.

DEPARTMENT OF COMMERCE.

RESOLUTION.

TARIFFS.

Simla, the 30th August 1932.

No. 341-T. (164).—In their Resolution No. 341-T. (161), dated the 25th July 1932, the Government of India announced that they had received an application from the cotton textile industry requesting the Governor-General in Council, in the exercise of his powers under Section 3 (5) of the Indian Tariff Act, to increase the duty leviable on cotton piecegoods not of British manufacture under item 158 in Part VII of the Import Tariff. It was further announced that the Government of India had decided to cause an immediate enquiry into the matter to be made by the Indian Tariff Board with the following terms of reference :—

To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such articles under Part VII of the Second Schedue of the Indian Tariff Act, 1894, by the Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India ; and, if so, to consider :—

(*a*) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods not of British manufacture or in respect of cotton piecegoods, plain grey, only or of cotton piecegoods, others, only ;

(*b*) whether the duty should be increased generally, or in respect of such articles when imported from or manufactured in any country or countries specified ; and

(*c*) for what period any additional protection found to be required should be given ;

and to make recommendations.

2. The Tariff Board, after a consideration of all the causes whch have helped to depress the prices of cotton piecegoods imported into India since the passing of the Cotton Textile Industry (Protection) Act of 1930, decided that the only factors which it was possible to take into consideration for the purpose of the emergent enquiry were depreciation in the exchange value of foreign currencies and the fall which had taken place in the price of raw cotton. The Board has found that the only country, of those which send cotton piecegoods to India, whose currency has depreciated in relation to Indian currency, as compared with the rates prevailing when protection was granted to the Indian industry, is Japan and, after tracing the course of the rupee-yen exchange and of the prices which cotton piecegoods have been and are being imported into India from Japan, the Board has reached the conclusion that the dominating factor in the decline in prices of these imports has been the depreciation in the value of the yen in relation to the rupee. This conclusion is, in the Board's view, supported by the fact that since last June a distinct upward movement in the price of raw cotton has taken place, while the extent to which the precipitate fall in the value of the yen has assisted the imports of cotton piecegoods into India is illustrated by the very large increase in the volume of such imports from Japan which took place during the month of June, those imports representing contracts made since February last, when the fall in the value of the yen below parity began. Figures obtained by the Board from the Calcutta Custom House and from leading importers at Calcutta indicated a further considerable drop in the prices quoted forward for Japanese cotton piecegoods. In arriving at the conclusions set out in its Report the Board has given full and careful consideration to the representations made by the Japan Cotton Spinners and the Japanese Cotton Piecegoods and Yarn Importers' Associations and has made it clear that, while the effect of a depreciated exchange upon the prices of exported goods is of a temporary nature, it is capable, while it lasts, of inflicting serious injury on a manufacturing industry in the country of import. The Report further explains that in order to establish a case justifying the use of the powers conferred on the Governor -General-in Council by Section 3 (5) of the Tariff Act, it is unnecessary to show that goods are being imported at prices lower than the cost of production or than the internal sale prices in the exporting country, but only that the current prices of imported goods are lower than those on which the scheme of protection for the local industry has been based.

3. The object of the Cotton Textile Industry (Protection) Act of 1930 was, as the Report indicates, not to give substantive protection to the Indian industry but to preserve the industry, or an important section of it, until the question of substantive protection had been considered and decided, a question into which the Tariff Board is now conducting an enquiry in accordance with the direction made to it in April last by the Government of India, and its present finding is strictly confined to the question whether the protection intended to be afforded until the 31st March 1933, is likely to be rendered ineffective. The Board has found that for the purpose as stated above the grant of additional protection to the Indian cotton textile industry has become immediately necessary, and, working from the basis of prices current in March 1930, and of the rate of duty then fixed by the Act, has calculated that, taking the value of the yen at Rs. 106 to 100 yen (the average rate during July) and making the necessary allowance for the fall in the price of raw cotton, the *ad valorem* duty on cotton piecegoods not of British manufacture should be raised to 53 per cent. in order to restore the measure of protection intended to be given to the Indian industry. The Government of India have carefully considered the Board's conclusions which have been briefly set out above and are in agreement with them.

4. In considering its recommendations the Board has expressed a doubt whether, in the particular circumstances, alteration of the rates of Customs duties is the most suitable form in which to give the additional protection required and has made the suggestion that

Government should examine the possibility of using the powers conferred on them under Section 3(2) of the Tariff Act to raise the value of goods imported from a country with a depreciated exchange for the purpose of assessment to duty to such extent as may be necessary from time to time to counteract falls in prices. The Government of India are unable to accept this suggestion. *Ad valorem* duties are assessed on the actual value of the goods imported, as nearly as it is capable of ascertainment, and the object of the statutory provision cited by the Board is not to enable arbitrary valuations to be assigned for particular purposes but to provide a method of fixing the actual value after a careful consideration of market prices, as an alternative to assessment on " real value " as defined in Section 30 of the Sea Customs Act.

5. Failing acceptance of the suggestion referred to in the preceding paragraph, the Board has recommended that the *ad valorem* duty on cotton piecegoods not of British manufacture, which was fixed by the Cotton Textile Industry (Protection) Act, 1930, at 20 per cent., and to which surcharges amounting to 11¼ per cent. have been added for revenue purposes by the Finance Act of 1931, should now be raised to 50 per cent., and that the increased duty should remain in force until the 31st March 1933. In making this recommendation the Board has stated the view that the need for additional protection arises solely from the position created by the depreciation of the Japanese currency, and that, in view of the serious consequences with which the Indian industry is threatened by reason of the phenomenal increase in imports of cotton piecegoods from Japan, an additional duty on those imports is imperative. If, therefore, the Indo-Japanese Commercial Convention of 1904 is held to be a bar to any increase of the duty on Japanese goods alone, the Board recommends without hesitation that the proposed increase be applied to all cotton piecegoods not of British manufacture. The Board has made no recommendation in regard to the minimum specific duty on plain grey cotton piecegoods in the belief that Section 3(5) of the Tariff Act confers no power to alter that duty because it is not higher upon articles not of British manufacture than upon articles of British manufacture.

6. The Government of India have carefully considered these recommendations and have also given full weight to the representations which they have received against any further increase in the duties on cotton piecegoods. They accept the Board's recommendation in respect of the *ad valorem* duty on cotton piecegoods not of British manufacture, but they wish to make it clear that the Indo-Japanese Commercial Convention of 1904 does not admit of the imposition in any circumstances of a higher duty upon goods of Japanese origin alone. The increased duty will therefore be applicable to all cotton piecegoods not of British manufacture. As regards the minimum specific duty on plain grey cotton piecegoods, the Government of India are satisfied that the Governor-General in Council has power to alter this element, equally with the *ad valorem* rate, in the duty with which plain grey cotton piecegoods are chargeable, for the two elements in the duty are not separable and the rate of duty, as a whole, applicable to articles not of British manufacture is higher than the rate applicable to similar articles of British manufacture. Having regard to the findings of the Board and to the great importance to the Indian cotton textile industry of the plain grey class of piecegoods the Government of India consider that any measure of additional protection which omitted this class of imports from its scope would to a large extent fail of its object. They have accordingly decided to increase the duty also upon plain grey piecegoods; and, following the general principle adopted by the Board in calculating the increase necessary in the *ad valorem* rate of duty, they have decided that the minimum specific duty should be raised to 5¼ annas per pound. The increased duties will take effect immediately and will remain in force until the 31st March 1933, and will not be subject to the surcharges imposed by the Indian Finance Act, 1931, and the Indian Finance (Supplementary and Extending) Act, 1931, In announcing their decision the Government of India desire to emphasize the fact that in accepting the necessity for a purely temporary increase they have in no way prejudged the question whether the Indian cotton textile industry satisfies the conditions required to qualify it for the grant of substantive protection. That question is now under examination by the Tariff Board and will come under consideration by the Government of India in the course of the next few months.

7. The Report of the Tariff Board will be ready for publication on the 2nd September.

DEPARTMENT OF COMMERCE.

NOTIFICATION.

TARIFFS.

Simla, the 30th August 1932.

No. 341—*I.* (164).—In exercise of the powers conferred by sub-section (5) of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), the Governor-General-in-Council, having considered the report of the Indian Tariff Board presented in pursuance of the Resolution of the Government of India in the Commerce Department, No. 341-T. (161), dated the 25th July 1932, is pleased to increase the duty chargeable under Part VII of the Second Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein and is further pleased to direct that the increased rates shall remain in force until the 31st March 1933.

TABLE.

Article, with number of entry in Part VII of the Second Schedule under which chargeable.	Present rate of duty chargeable under the Indian Tariff Act.	Increased rate of duty.
158. Cotton Piecegoods (other than fents of not more than nine yards in length)—		
(*a*) plain grey, that is, not bleached or dyed in the piece, if imported in pieces which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings—		
(ii) not of British manufacture ..	20 per cent. *ad valorem* or 3½ annas per pound, whichever is higher.	50 per cent. *ad valorem* or 5¼ annas per pound, whichever is higher.
(*b*) Others :—		
(ii) not of British manufacture ..	20 per cent. *ad valorem*	50 per cent. *ad valorem*

APPENDIX 29.

IMPORT DUTY ON YARN.

Copy of letter No. 186, *dated the 2nd May* 1932, *from the Secretary, Tariff Board, to the Association.*

I am directed to forward a copy of a letter from the Government of Madras to the Government of India No. 1052—11/31-2, dated the 25th January 1932, enclosing a report from the Director of Industries, Madras, regardng the effect of the existing duty on yarn on the handloom weaving industry. The Board will be glad if you will communicate your

views (with six spare copies) on the opinions and proposals contained therein at an early date. I am also to invite your attention to a resolution on the same subject which was passed by the Bombay Legislative Council on the 5th October 1931 (*vide* Bombay Legislative Council Debates, Vol. XXXII, Part VII, pages 398 to 412).

Copy of letter No. 1052—11/31-2, *dated the* 25*th January* 1932, *from the Secretary to the Government of Madras, Development Department to the Secretary to the Government of India, Department of Commerce.*

REVISED DUTY ON YARN—EFFECT ON THE HANDLOOM INDUSTRY.

I am directed to invite a reference to the correspondence ending with Mr. Drake's letter No. 341-T(123), dated the 25th August 1930, in which the Government of India observed that it would be premature then to consider any alteration in the duty on imported cotton yarn. With deference to the opinion of the Government of India the Local Government deemed it best to watch the effect of the enhanced duty on the handloom industry in the Presidency during 1930-31. The Director of Industries, Madras, has submitted a report for this period. I am to forward for the information of the Government of India a copy of the report which shows that the increased duty has had an adverse effect on the industry and to state that the Local Government strongly recommend the proposal made in the concluding portion of the Director's report that no duty should be levied on yarns of counts above 40s nor on handloom appliances and accessories.

Copy of letter No. 546—*A*/31, *dated the* 20*th November* 1931 *from the Director of Industries, Madras, to the Secretary to the Government of Madras, Development Department.*

It has been extremely difficult to obtain from the weavers and master weavers any definite information as to the effect of the duty on the different sections of the handloom industry and the extent to which the duty has affected the economic condition of the handloom weavers. Further in order that the information obtained might be sufficiently representative of the several interests involved, it was considered desirable to circularise various firms dealing in imported and Indian mill yarns, Indian mill goods and imported cloths as well as exporters of hand woven fabrics. There has, therefore, been some delay in submitting my report on the subject.

2. Of the 20 firms addressed by me, only nine replied and of these, two have no information to furnish. Messrs. Best and Company in their reply state that the yarns which they supply are held in high esteem by handloom weavers particularly for warping purposes during dry weather and the firm (Messrs. Best and Co.) feel that their sales would have been considerably enhanced had they not been penalised by the revised duty, especially as they understand that indigenous yarns of like counts are quoted at higher prices. The opinion of Messrs. Volkart Bros. which is said to be based on information received from their dealers is that the duty is a great handicap to the handoom weavers, particularly to those engaged in the manufacture of lungis, kailis, Madras handkerchiefs, fine dhoties, angavasthrams and coloured sarees. The firm urge that the duty on yarns of counts above 40s should be removed. Messrs. Brunschweiller and Company favour the removal of the duty entirely so that the weavers " may be enabled to derive supplies of fine yarns of standard quality and tensile strength as they cannot expect to obtain the same from the Indian mills but which they have to employ in order to withstand the competition of imported goods made from fine yarns." Owing to the dullness in the market, they and other exporting houses, are obliged to reduce the commission for middlemen and this, they believe, has in turn tended to reduce the wages of the weavers. Messrs. T. A. Taylor and Co. consider that the handloom weavers have been more affected by the general trade depression and the boycott than by the revised duty on yarns. At the same time they consider that provided the weavers were allowed to purchase the yarn which is necessary for their business without let or hindrance a marked improvement in the handloom industry might be expected. Messrs. Parry and Co. point out that originally when it was contemplated to increase the duties on yarns, it was the intention to protect the Indian mills against the importation of foreign yarns of such counts as competed directly

with Indian production, but that the higher duties now affect counts up to 90s and they are strongly of opinion that the duty on yarns of counts above 40s should be removed. Messrs. Simson and MacConechy point out that hand-woven Madras handkerchiefs are losing ground in consuming countries on account of the present higher cost at which they are produced in relation to the cheaper imitation products manufactured outside India on power looms and also the deterioration in the quality of the Madras product due to using inferior Indian mill yarns. They urge a reduction of the import duty on yarns above 40s counts, and point out that if the large export trade of Southern India in hand-woven products is to be retained, it is essential that the raw material should be made available to the weavers at the lowest possible price. Mr. A. K. Mohamed Mohideen Maricair, merchant, Negapatam, considers that the duty should be raised by 5 per cent. more *ad valorem* or to annas 3 per lb.

It will be seen that out of the seven firms who have put forward any views. five have expressed the opinion that the duty, original or revised, has acted as a handicap to the handloom industry and urge the desirability of reducing or removing the duty on acounts above 40s or its entire removal.

3. The Assistant Director of Industries (Textiles) who made enquiries in this regard has reported as follows :—

"In order to place the handloom weaving industry on a commercial footing and to protect it from all competition, it is necessary that the question of tariff should be carefully considered. Almost all weaving mills in India have spinning mills attached to them, and so the yarns they use cost them less than the yarns used by the handloom weavers, who have to obtain their yarns at a comparatively high price, due to the inclusion of the profits of a number of middlemen and sowcars. This difficulty in the case of handloom weavers could be obviated by a careful regulation of tariffs. Prior to 1929 the duty on imported yarns was fixed at 5 per cent. *ad valorem*. This was since raised to 5 per cent. *ad valorem* or Re. 0-1-6 per lb. whichever is higher. According to this regulation, if the price of yarn is Re. 1-14-0 per lb. the duty whether levied at 5 per cent. rate or on the Re. 0-1-6 per lb. basis is the same. But, if the price of yarn is higher than Re. 1-14-0, the duty is levied on the 5 per cent. basis and is lower on Re. 0-1-6 basis. This specific duty was imposed to protect the Indian spinning mills from foreign competition. Handloom weavers consume yarns of coarse, medium, fine and superfine counts such as 12s, 14s, 20s, 40s, 50s, 70s, 80s, 100s, 150s and 200s. At present all counts of yarn below 100s become liable to pay the hgher duty of 1½ annas per lb. since the price of yarns ranging from 12s to 90s is below Re. 1-14-0.

In recent years there has been practically no importation of coarse and medium counts of yarn. When yarn dealers in India imported such yarns, the price of Indian mill made yarns was governed by the price of the imported yarns. But now that their importation has almost ceased, the weavers complain that athough the bulk of yarns consumed is Indian mill made yarn, the prices have not correspondingly dropped. The yarn dealers further point out that in importing foreign yarns they derived certain advantages in respect of colour, correct count and higher tensile strength, which are now lost to them. And what is most deplorable is that the enhanced duty on yarns has given an impetus to the manufacture in Indian mills of cloths produced out of coarse and medium counts, and the handloom weaver does not derive any benefit from the supply of yarns of such counts from Indian mills, since the demand for cloths made of these counts is at the same time being met by the mills themselves. The weavers urge that in trying to protect the spinning mill industry from foreign competition, a direct and keen competition has been set up between the Indian weaving mills and handloom weavers. They point out that the millowners have not been slow to take advantage of even the demand for handspun hand-woven khadi created throughout the country. Not a few of the power mills are now spinning coarse counts and manufacturing imitation khadi on a large scale and supplying it to merchants dealing in swadeshi goods.

When the duty was levied at 5 per cent. *ad valorem*, the yarn merchants had to pay only 4 pies per lb. towards duty if calculated on a value of 7 annas per lb. for 20s yarns. The revised duty now works out to 18 pies per lb. This means that the Indian mills

have been given a protection of 14 pies per lb. Thus, the duty percentage on 20s yarn has been raised from 5 to 21 per cent. giving protection of 16 per cent. to the millowners. The yarn merchants contend that if the duty were not enhanced, the weavers could have obtained imported yarn of coarse and medium counts at cheaper rates than those at which the mills now supply their yarns, and that the revised duty has seriously affected the earnings of the handloom weaver producing cloths from coarse and medium counts, by reducing his possible margin of profit between the net cost price of yarn and the sale price of cloth. If the severe handicap from which the handloom weaver is suffering is to be removed, it is necessary to bring home to millowners the wisdom of agreeing not to produce certain varieties of cloths made from coarse and medium counts, if they wish to avoid a readjustment in tariff or the imposition of an excise duty on mill made cloth.

As already stated, the revised duty of 1½ annas per lb. also operates on yarns of fine counts such as 40s, 50s, 60s, 80s and 90s. Among those using fine yarns, weavers producing grey cloth have suffered more than the weavers of coloured fabrics. Grey cloth is generally woven with gold thread borders, and since the duty on gold thread has been increased, the cost of production of such fabrics has naturally risen and the demand has diminished. The wages of the manufacturers of Lungees and Madras Handkerchiefs which are produced from 40s and 60s yarns have also been reduced. The exporting houses complain that their profits have been reduced, as a result of keen competition with power products and the unwillingness on the part of the consumers abroad to patronise hand-woven products beyond a certain price. They contend that whilst in foreign countries such products are manufactured by the mills from yarns spun in their own spinning mills, the handloom weaver in India has to meet a number of charges, such as commission to wholesale exporters of yarn in England, transport charges by steamer and by rail, Commission to wholesale importers and to middlemen and on the top of it all, he has to pay a duty.

It is only on count above 90s that the duty is levied at 5 per cent. *ad valorem*. The weavers urge that in view of the fact that such yarns are not produced by the Indian mills, the present import duty may be removed so as to enable them to increase their present meagre earnings."

4. It has also been pointed out by a few firms that at the time the revised duty was imposed, counts above 60s were not affected, but now owing to the decline in the prices of the varns, the revised duty affects yarns up to 90s, a factor which could not have been expected at the time the revision was made. I understand from Messrs. Best and Company that their current prices for Messrs. G. F. Mandley's high count medio grey yarns are as follows :—

100s	Medio yarns	@ Rs.	8-14-0—5 lbs. bundle.
80s	,,	,,	6-14-0—5 ,, ,,
60s	,,	,,	5-14-0—5 ,, ,,

It will be seen that even in the case of 100s, the duty is now levied on the 1½-anna basis. In this connection I extract below certain figures of imports of yarns in 1927-28, 1928-29 and 1929-30 in order to show as far as possible, the relation that would have existed in the imports of those years between the quantity of yarns that would have been assessed on the 5 per cent. basis and the 1½-anna basis, assuming that the prices now prevailing had prevailed then. Detailed figures for 1930-31 are not yet available.

It will be seen that under present prices, the duty is *mainly* levied on the 1½-anna basis, the quantity coming under the 5 per cent. basis being not very considerable.

Imports of grey (unbleached) above No. 100s.

	1927-28	1928-29	1929-30	Average imports of grey (unbleached) including twofolds.
	lbs.	lbs.	lbs.	
Madras	44,115	78,870	81,750	About 6 million lbs.
India	115,576	139,860	162,710	Over 30 million lbs.

	*Imports of white (bleached) above 50s**			Average imports of white (bleached) including twofolds.
Madras	1,019,532	1,094,545	1,251,989	2 to 3 million lbs.
India	1,047,837	1,129,697	1,289,509	5 million lbs.

	*Imports of coloured yarns above 50s.**			Average import of coloured yarns, including twofolds.
Madras	406,070	238,816	267,811	1¼ million lbs.
India	487,843	306,012	359,637	4 to 5 million lbs.

Assuming that in the case of coloured and bleached yarns above 50s all the quantity shown as imports comes under the 5 per cent. basis, i.e., that the value of each pound is over Re. 1-14-0, it will be seen that the total quantities that would have been assessable on the 5 per cent basis in the case of Madras and India would have been only about 1½ million lbs. in each case against a total importation of all yarns ranging over 9 million and 40 million lbs. respectively (excluding mercerised yarns).

5. At the time the revised duty was imposed, it was considered that it would be desirable to afford a certain measure of protection to Indian spinning mills, although it was even then doubted whether it would be possible for the Indian mills to produce higher counts from imported cotton at competitive prices. Subsequent to the imposition of the revised duty, although a few mills have commenced production of fine yarns of different qualities from imported or indigenous cotton, the prices at which the finer Indian yarns are sold are stated to be higher than those at which imported yarns are offered. And yet, in spite of the reported difference, both in regard to quality and price, the consumption of imported yarns has decreased latterly owing to the preference shown now-a-days for cloth made from Indian mill yarn. This will show that imported yarns do not fetch their real value. A section of the handloom weavers have perforce to take to Indian mill yarn, which, being of an inferior quality and of lower tensile strength, are liable to breakages and consequently entail some loss to the weavers. Again, their prices, being stated to be higher than those of imported yarns, it is difficult for the weavers to market their goods in competition with the cheaper goods produced by Indian mills, many of which, having spinning departments attached to them, find themselves in a position to produce goods at rates much cheaper than handloom weavers.

During 1930-31 imports of yarns showed a considerable decline, i.e., from nearly 44 million lbs. in 1929-30 to 29 million lbs. in 1930-31 for the whole of India and from 10½ million lbs. to about 7 million lbs. for Madras. The surcharge of 25 per cent. on the existing rate of duty is bound to bring down imports of yarn still further.

The handloom weavers have thus been caught, so to say, between two hands. While, on the one hand, they are unable to buy the comparatively costlier but inferior Indian mill yarns at their present prices and meet the competition of Indian mill cloths in India and of products of foreign power looms in such of the foreign markets as are still available for them, the Swadeshi movement acts on the other hand, as a bar to their using imported yarns and even here they are threatened with the possibility of the present low prices going up, owing to the imposition of the surcharge of 25 per cent. Their position is already unenviable and a more acute situation is likely to result if things are to be left as they are.

6. I submit that the imposition of the duty on yarns cannot be considered without reference to the duty on cloths. Three branches of the cotton weaving industry, khadi, handloom and power loom cover the textile trade of India at the present time, and so long as these three prevailing sources of supply of indigenous cloth continue, the wisest course would

* No more detailed figures are available in regard to white (bleached) and coloured yarn

undoubtedly be to regulate their respective spheres of production and bring about an adjustment most advantageous to all. By means of such an adjustment it will be possible for the handloom not only to survive but flourish side by side with the mills. The Indian consumption of cotton cloth is in the neighbourhood of 6,000 million yards per annum of which the handloom produces 1,500 million yards and the Indian mills 2,500 million yards. The import of foreign cloth amounts to 2,000 million yards per annum, whilst the quantity of khadi said to be produced per annum is 15 million yards per annum. Once a demarkation is properly made, the way be open for regulating the tariffs with some regard to the interests of the consumer, in the case of the handloom weaver, any definition of the sphere in which he should ply his trade must necessarily be governed by the number of persons dependent on this branch of the industry. Indian spinning mills should be prevented from producing khadi yarns. Indian weaving mills should not weave the common wearing apparel of the masses and cloths of such counts as the weavers can produce economically on the handlooms, as it is unfair that the mills should after selling their yarns to the handloom weavers should compete with the purchasers of such yarns by weaving into cloths the same quality of yarn, available for them at far lesser cost. If the mills do not however agree to the above regulation, Government could in the early stages levy a protective excise duty on Indian spinning mills which produce khadi yarns, a protective excise duty on Indian weaving mills producing cloths of the variety produced on the handlooms, and an import duty on such cloths imported into the country which compete directly with indigenous cloths At the same time no duty should be levied on yarns of counts above 40s nor on handloom appliances and accessories.

Copy of letter No. 1253/121, *dated the* 1*st July* 1932, *from the Association to the Secretary, Tariff Board, Bombay.*

I am directed to acknowledge receipt of your letter No. 186 dated the 2nd May 1932, enclosing a copy of a letter dated 25th January 1932, from the Government of Madras, to the Government of India and also a copy of a letter dated 20th November 1931, from the Director of Industries, Madras, to the Government of Madras.

2. From the letter of the Director of Industries, Madras, it appears that, in the opinion of that officer, the handloom industry in this country is being handicapped in various ways, and in the last paragraph of his letter, he recommends Government to take certain measures which, in his opinion, will resuscitate the industry. Only two of these proposals, viz., abolition of the import duty on counts above 40s and on handloom appliances and accessories, have met with the approval of the Government of Madras, as appears from their letter to the Government of India. The other proposals, e.g., prohibiting Indian mills from manufacturing certain classes of goods are not at all practical propositions, as pointed out further on in this letter, while proposals such as levying an excise duty on mills producing coarse yarn are, in the opinion of my Committee, calculated to penalise the handloom industry rather than assist it. In view of the fact that these proposals have not met with the support of the Government of Madras themselves, my Committee do not propose to deal at length with them in this letter.

3. Before expressing an opinion on the contents of the letter of the Director of Industries and of the Government of Madras, my Committee would like to point out that no proofs have been adduced by the Director of Industries in support of his contention that there has been a substantial deterioration in the economic condition of the handloom industry, or that any deterioration which may have taken place has been brought about by the import duty on yarn.

4. The Director of Industries states that it has been extremely difficult to obtain from the weavers and master-weavers any definite information as to the effect of the duty on the different sections of the handloom industry, and the extent to which the duty has affected the economic condition of the handloom weavers. In my Committee's opinion, this admission of the Director of Industries seriously affects the conclusions he has reached.

5. It appears that the Director circularised 20 firms interested in imported and Indian mill yarns, Indian mill goods and imported cloths and handloom production meant for export.

Only nine of these firms replied, and of these two had no information to furnish. Out of the remaining seven, one firm has actually recommended an increase in the import duty on yarn. Another firm, Messrs. T. A. Taylor & Co., have correctly pointed out that the handloom weavers have been more affected by the general trade depression and the boycott than by the revised duty on yarns. Messrs. Simon and MacConechy are one of the firms advocating abolition of the duty on yarn above 40s, but even they point out that hand-woven Madras handkerchiefs are losing ground in consuming countries on account of the present higher cost at which they are produced in relation to the cheaper imitation products manufactured outside India on power looms. It would thus appear that the handloom industry is experiencing the same difficulties in foreign markets as the Mill Industry is experiencing, for the Mill Industry is also not able to hold its own in foreign markets owing to competition with goods imported into those markets from other countries. So far as the handloom industry is concerned, its exports form a very small percentage of the total production, the bulk of which is consumed in Indian markets. What the handloom industry as well as the Mill Industry needs is effective protection against foreign competition. The enhanced import duty on cloth is calculated to protect not only the indigenous Mill Industry but also the handloom industry of the country, and in my Committee's opinion, the interests of the handloom industry would best be served by the imposition of a high import duty on piecegoods for an adequate number of years. The close connection between the fortunes of the mill industry and the handloom industry is brought out in the report of the Director of Industries, Central Provinces, who has come to the conclusion that owing to the fall in the price of yarn and cloth the handloom weavers find it difficult to dispose of their goods at profitable rates, and many handloom weavers are leaving their profession for employment in mills. Incidentally, the reference to the fall in the price of yarn may be regarded as an answer to the criticism that the import duties have caused a rise in prices to the detriment of the handloom weaver.

6. One of the contentions advanced in the letter from the Director of Industries is that owing to the enhanced duty on imported yarn, the handloom weavers are constrained to purchase Indian mill-made yarn, which is inferior to imported yarn as regards colour, regularity of count and tensile strength, and that, for these reasons, the quality of their production has suffered. This statement is evidently based on an assumption that handloom weavers had been always using imported yarn in preference to the mill-made yarn, but Mr. R. D. Bell, I.C.S., in his " Notes on the Indian Textile Industry with Special Reference to Hand-Weaving," published long before the enhancement of the duty on yarn, stated that the use of imported yarn by the handloom industry was often exaggerated, and he quoted statistics to prove that the foreign yarn used by the handloom weavers formed only a small percentage of their total consumption of yarn. Similar statistics will be found reproduced in Table No. 35, on page 354 of the Association's Report for 1931 showing the total quantity of yarn—imported as well as Indian mill-made—available for consumption by the handlooms in India, and the total quantity of imported yarn. The figures for the last seven years are given below :—

Table showing the Approximate Poundage of Yarn available for consumption in India.

(In millions of pounds.)

	1924-25	25-26	26-27	27-28	28-29	29-30	30-31
Total Indian Mill Production	719	686	807	809	648	833	867
Less—Exports by Sea ..	37	32	42	25	24	25	23
„ by Land ..	9	7*	8*†	5*†	5*†	6*†	7*†
Balance	673	647	757	779	619	802	837
Imports	56	52	49	52	44	44	29
Total ..	729	699	806	831	663	846	866
Less—Exports by Sea ..	1	1	1	1	..	..	..
„ by Land ..	4	..	..	..	..	..	..
Quantity of Yarn available for consumption in India	724	698	805	830	663	846	866
Cloth produced in India in millions of pounds ..	459	465	539	568	446	562	590
Approximate equivalent in Yarn (taking 100 lbs. of yarn—112 lbs. of piece-goods)	410	415	481	507	384	502	527
Real balance of Yarn available for sale in India	314	283	324	323	279	344	339

* Includes re-exports also. † Maunds converted into lbs. at the rate of 82⅔ lbs. = 1 maund.

Even if we were to assume that the whole of the imported yarn was consumed by handlooms, it will be noticed that the imported yarn forms a very small percentage of the total quantity of yarn consumed by the handloom industry. Again, the Assistant Director of Industries, Madras, in his pamphlet entitled : " Cotton Cloth Impasse," published only last year, says :—

> " It must be recognized that the advent of the spinning mills in India has helped to replace the uneconomic process of handspinning and saved the cotton handloom weaving industry from extinction. The handloom weavers fully realize that the Indian spinning mills have come to stay and serve as an important link in the organization of the handloom weaving industry inasmuch as they supply cheap and superior yarns to the extent of about 300 million pounds per annum."

7. In paragraph 5 of his letter, the Director practically nullifies the arguments advanced by him in the preceding paragraphs, for he admits that the hand loom-weavers prefer to buy Indian mill-made yarn rather than imported yarn even though the price of the former be higher. As he says the Swadeshi movement acts as a bar to the use of imported yarn by hand-weavers, and it is therefore difficult to understand how the abolition of the duty will help the handloom industry.

8. It is scarcely necessary to point out that the import duty on yarn was increased in 1927 and again in 1930 for weighty reasons and it is not necessary to refer to those reasons in

this letter. The possible effects of the enhancement in the import duty on yarn on the handloom industry of the country were very fully dealt with by Sir George Rainy in the speeches made by him in the Legislative Assembly and further in the Report of the Select Committee on the Yarn Protection Bill of 1927, and in the separate Note written by Sir Victor Sassoon as a member of the Select Committee. However, if the Tariff Board as a result of the investigations it is now engaged upon comes to the conclusion that the import duty on counts above 60s should be kept at the level prevailing before 1927 in the interests of the handloom industry, there will not be any serious opposition from this Association for the true interests of the two industries must be very closely allied. My Committee, however, are strongly opposed to a reduction in the duty on medium counts imported into the country, as this will serve to reduce the price of coarser counts and thereby make the position of the mill industry still worse. As pointed out in para 62 of the Association's representation to your Board, the imports of counts 31s to 40s during the last three calendar years have been respectively 16, 15 and 13 million lbs. against a total production of 43, 53 and 64 million lbs. and imports during 1932 promise to be much higher than for many years. It was mainly because of the cheap rates at which these yarns are being imported from China that the duty had to be increased, and your Board will no doubt recognize the imperative necessity of an adequate rate of duty on counts up to 60s.

9. Reference is made in your letter to the debate in the Bombay Legislative Council on 5th October 1931, and my Committee would like to deal with a few points arising out of that debate. The resolution was to the effect that the extra duty on yarn imported into the country should be abolished in the interest of the handloom industry and that the production of saries below 20 counts by Indian mills should be prohibited, or that a 15 per cent. excise duty should be levied on the saries manufactured by the mills.

10. The mover of the Resolution in support of his contention that the condition of the handloom industry had deteriorated, quoted from the report of the Director of Industries, Bombay, for 1929-30. The Director of Industries has therein stated that the prices of handmade cloths had in many cases gone down considerably, and the wages of weavers had gone down by something like 40 per cent. It is, however, noteworthy—and this point was missed by the mover of the Resolution—that the Director of Industries also stated : " But calculations made have shown that as far as the wages of weavers are concerned, if the duty on yarn is made 5 per cent. *ad valorem* again, and the prices of yarn fall to the full extent of the difference and the entire resulting benefit is passed on to the weavers in wages, it is likely to be small, say about 1 anna 2 pies per day for cloths made out of yarn of 20 counts and about 8 pies per day for cloth made from 32s counts of yarn. For finer counts, the benefit will be increasingly small." It is clear from this that the abolition of the import duty on yarn is no panacea for the depression, if any, from which the handloom industry may be suffering. The Director correctly points out that the general trade depression is one of the reasons why the profits of the handloom weaver have gone down. So far as the production from the handlooms is concerned, it will be noticed from the table given in para 6 above, that far from there being a set-back, there has been actually an increase in production since the last increases in the import duty.

11. The proposal that cotton mills should be prohibited from manufacturing certain classes of goods which are said to be competing with the production of the handlooms is, in my Committee's opinion, altogether impracticable, and calculated to penalise the consumer and the mill industry without any justification. The Director of Industries, Bombay, in para 34 of his report for 1929-30, pointed out the directions in which help might be extended to the handloom weaver, and one of his proposals was that the handloom weaver should be advised to weave cloths which do not come in direct competition with mills. Mr. Fakirji E. Bharucha, a former Director of Industries for Bombay, in his Foreword to Mr. Bell's pamphlet, pointed out that there are many specialized types of hand-made cloth used by the urban population in this country, which cannot be economically produced on power looms and that the sphere of the hand-weaver still remains unsurpassed and unusurped by the mill competition in this country. Similarly, the Assistant Director of Industries, Madras, in his pamphlet says : " Even at present the hold which the handloom product has upon the mind of the people is so strong that even the offer of the mill cloth at a lower price cannot wean them from their partiality for hand-made goods. This is proved by the fact that in spite of the higher prices the

handloom produces and is able to sell 1,400 million yards of cloth per annum." If on careful investigation, it is found that certain types of piecegoods cannot be manufactured as economically on handlooms as on power looms, then the handloom weavers, in my Committee's opinion, should be advised not to manufacture those goods but to manufacture the large variety of goods for which the handlooms are better fitted than power looms. My Committee note that the Government of Madras themselves have not supported the proposal made by the Director of Industries, Madras, that Indian mills should be prohibited from manufacturing certain goods, or as an alternative, that an excise duty should be levied on them. It would be extremely difficult to demarcate the lines which, it is proposed, mills should be prohibited from manufacturing, and even if the proposal was practicable, it would unnecessarily handicap the mill industry besides penalising the consumer. From the general tenor of the letter from the Director of Industries, Madras, it would appear that, in the opinion of that officer, cotton mills should not be allowed to manufacture coarse goods, although such goods could be turned out more economically on the power loom than on the handloom. This proposition could hardly be taken seriously as it would practically mean that cotton mills should be stopped from manufacturing goods for which they are eminently well fitted and which they manufacture in large quantities. The Government of Madras themselves have not accorded their support to this proposal, and it will be generally agreed that the proposal could not be taken seriously.

12. The proposal to exempt from import duty handloom appliances and accessories meets with my Committee's approval, inasmuch as a duty on appliances and accessories is against the sound economic principles enunciated by the Indian Fiscal Commission. The Mill Industry has been also subjected to a similar handicap and it is my Committee's considered opinion that stores, machinery appliances and spare parts and accessories should be made duty-free. Many articles are used in common by both the industries, and it would probably be impracticable to extend the exemption only to the handloom industry.

13. In conclusion, I am directed to say that this Association is unreservedly in favour of encouraging and improving the efficiency of the handloom industry, but it is not by modifying the existing tariff or by inflicting handicaps on the power loom industry that the handloom industry could be made more prosperous. The Director of Industries, Bombay, has in para 34 of his report for 1929-30 indicated the directions in which help might be rendered to the handloom industry and measures calculated to help the handloom industry on these lines will meet with the whole-hearted support of this Association. One of these proposals is that help should be extended to weavers to organize themselves for (1) co-operative finance, (2) collective purchase of raw materials and (3) collective sale of finished products. I am to add that so far as collective purchase of yarn is concerned, my Committee will be pleased to consider carefully any scheme which the Directors of Industries in different provinces may formulate, with a view to eliminate some, at any rate, of the middle-men through whose hands the yarn passes before it reaches the consumer, and thus to assist the handloom weavers in getting their supplies of yarn on more favourable terms than is the case at present.

Copy of letter No. 1686/121, *dated the 8th September* 1932, *from the Association, to the Secretary, the Tariff Board.*

In accordance with the desire expressed by the Board during the Association's oral evidence, further consideration has been given to the question as to whether it would be possible for the Association to modify its attitude in regard to the import duties on yarn. The previous view point of the Association as expressed in its letter No. 1253/121 dated the 1st July 1932 and in the written representation submitted to the Board on 31st May 1932 was that the existing duties of $1\frac{7}{8}$ annas per lb. or $6\frac{1}{4}$ per cent. *ad valorem* were sufficient in normal times to protect the great bulk of India's yarn production ; but that difficulty was experienced in meeting competition in medium counts of yarn, say up to 44s. It was also indicated that if as a result of their investigation, the Board came to the conclusion that the import duty on counts above 60s should be kept at the level prevailing before 1927, the Association would not raise any opposition. It was maintained that the present depressed condition of the handloom industry was mainly due to the world-wide economic depression and the consequential fall in the purchasing power of the masses in this country, and that the handloom weavers had been affected inappreciably, if at all, by the duties imposed on yarn.

2. The production of the handloom industry may for practical purposes be divided into three distinct classes : (*a*) cloth produced from yarn of 20s and below ; (*b*) cloth made from medium counts of yarn, say up to 44s ; and (*c*) cloth made from fine count yarns.

Dealing with the first category of production, the position is that for many years the handloom industry has obtained practically the whole of its supplies of yarn from Indian mills. In 1927, when the yarn duty was first imposed, there was an undoubted and admitted danger of Japanese mills in China flooding the Indian market with coarse count yarns, owing to the low manufacturing costs in that country compared with India, made possible by inferior labour conditions. This danger was removed by the specific duty of 1½ annas per lb. As the labour conditions in China have not changed to any appreciable extent since 1927, the case for the retention of the duty on coarser counts of yarn still holds good, provided it can be shown that the spinning industry of this country has not profiteered at the expense of the handloom industry. That no profiteering has taken place is demonstrated by the following statement, which gives the quotations for 20s yarn and Broach cotton :

Date.	Price per lb. of 20s yarn (Indian).	Price of Broach Cotton per Candy.
	Rs. a. p.	
Beginning of—		
January 1927 ..	0 9 3	Rs. 254
,, 1928 ..	0 11 6	Rs. 379
,, 1929 ..	0 12 3	Rs. 358
,, 1930 ..	0 10 9	Rs. 306
,, 1931 ..	0 7 6	Rs. 174
,, 1932 ..	0 7 9	Rs. 199

It is an undoubted fact that mills in India in January 1927 were not obtaining remunerative prices for their yarn. If therefore a comparison is made between the price of yarn and the price of cotton in the years subsequent to 1927, it is possible to arrive at an estimate as to whether the handloom industry has been overcharged since the 1½ annas specific duty on yarn was imposed. The position is that compared with the beginning of January 1927, the price of yarn at the beginning of January 1928 went up by 2¼ annas per pound. The rise in cotton was Rs. 125, or roughly 2½ annas per pound. In January 1929, the price of 20s yarn was 3 annas higher and the price of cotton just over 2 annas higher than in January 1927. In January 1930, the price of yarn was 1½ annas higher and the cost of cotton just over one anna higher than in January 1927. In January 1931, the price of yarn was 1¾ annas lower and the price of cotton 1½ annas lower than in January 1927. In January 1932, the price of yarn was 1½ annas and the price of cotton a little more than an anna less than in January 1927.

With the possible exception of 1929, the figures show that certainly no more than economic prices, and often less than economic prices, have been charged by Indian mills for their yarn. Even in 1929, the prices of yarn rapidly adjusted themselves to the price of cotton. During 1932, a new situation has arisen owing to the steady depreciation of the value of the Yen, and latterly, quotations for Japanese yarns have fallen so low as to make it possible for Japanese mills to compete successfully even in low counts despite the specific duty of 1⅞ annas per lb.

For the confidential information of the Board, I am enclosing herewith a statement* showing the actual works cost and the prices realized by an efficient Bombay Mill for coarse count yarns during the years 1931 and 1932. The statement shows that the mills have consistently lost money on their yarn sales during the last two years.

3. *Medium Counts of Yarn.*—As pointed out by your Board during the Association's oral examination, the handloom industry is not a very extensive user of medium counts of

* Not printed.

yarn. In this particular line of production, that industry has found it difficult to compete against the power loom industry. This being the case, it becomes unnecessary to take the handloom industry into consideration when estimating whether it is desirable or feasible to remove or reduce the present scale of duties. On medium count yarns, since the interests of the power loom industry are paramount, and it may at once be said that the removal or reduction of import duty would be against the interests of the country. China and Japan have for many years been able to compete in price against Indian mills in medium counts of yarn, and it is only because mills use their own yarn in preference to imported yarn that imports have been kept down to reasonable limits. The removal of the duty would so widen the disparity in prices between Indian mill yarn and imported yarns, that it would pay mills to close down that portion of their plant at present devoted to the manufacture of medium counts of yarn, and buy imported yarn for weaving purposes. This would mean the throwing out of employment of a very large number of workpeople, and would put a stop to the progress in the production of medium count yarns which has been a feature of the last few years. The difficulties of the Industry in regard to medium counts are graphically demonstrated by a study of the relative quotations for Japanese and Indian mill yarns of 40s during the last few months. In the middle of August, for example, the quotation for Japanese 40s yarn was 8.4 annas per lb. C.I.F. or about 10¼ annas per lb., including duty. At that time, the bare cost of producing a similar yarn in India was 11½ annas per lb. In regard to medium counts, consideration must also be given to the fact that for many years to come, Indian mills will have to depend for their raw materials on other countries, and that there is little doubt that the competitive capacity of Indian mills has already been seriously impaired by the duty of half an anna per lb. imposed on imported cotton. If, in addition to this handicap, mills were called upon to give up the protection affoded by the specfic duty on yarn, their position would become practically untenable as far as medium counts are concerned.

4. *Finer counts of yarn.*—It is admitted that it would be extremely desirable to encourage the production of certain types of fine cloth by the handloom industry. It is, however, doubtful whether it would eventually be in the interests of India as a whole for the handloom industry to be entirely dependent upon imported yarn for this portion of its production, though it is equally open to question whether Indian mills willfor some time be in a position to become substantial suppliers of fine yarns to the handloom industry even if the duties were retained at the present level. On a review of all the circumstances, my Committee are agreed, provided the interests of the mill industry in respect of fine cloth are safeguarded by an adequate protective duty, that the duty on fine yarns might be reduced to 5 per cent., and that the specific duty might be removed. In arriving at this conclusion, they are aware that it opens up the possibility of the establishment of a competitive power loom weaving industry since it would undoubtedly pay to erect weaving sheds to produce fine cloth from imported yarn. yarn. Against such factories, Indian mills doing their own spinning and weaving might not be able to compete. If such an industry were established, the position of the handloom industry—with which it will compete to some extent—might possibly be worse than it is to-day.

5. The conclusions of my Committee in regard to yarn duties are in no way different from those previously expressed to the Board, but it is hoped that the fuller statement of the case which has been made in this letter will convince the Board that the conclusions which were then arrived at were undoubtedly warranted by the facts.

APPENDIX 30.

ANTI-DUMPING LEGISLATION FOR INDIA.

Copy of letter No. 1695/147A, *dated the 8th September* 1932, *from the Association to the Secretary to the Government of India, Department of Commerce, Simla.*

I am directed to bring to the notice of the Government of India the urgent necessity of placing on the Statute Book an Act enabling Government to take prompt executive action

for the protection of indigenous industries against the competition of manufactured goods imported in such quantities or at such prices as seriously to affect the interests of the home industries.

The Government of India are aware that practically all the leading industrial countries have enacted what is known as "anti-dumping" legislation, directed against the dumping of foreign goods, whether such dumping is facilitated by the grant of bounties in the exporting countries or by depreciation in the currencies of those countries, or for any other reason. India is practically the only country whose industries cannot approach Government for prompt and effective action when foreign manufacturers flood the market with their products at prices against which the indigenous industries cannot possibly compete The need for legislation on the lines of that adopted in other countries has now become more urgent than ever in view of importations in recent months of Japanese goods at abnormally low rupee prices. This cut-throat competition from Japan has seriously affected many industries, but action has been found possible only in the case of the Cotton Textile Industry, and that too, only in respect of cotton piecegoods. This is a very anomalous and unfortunate position, and my Committee are of opinion that the Government of India should take immediate steps to approach the Legislature to arm them with the power to increase import duties by executive orders whenever, owing to abnormal circumstances, protection to any particular industry becomes necessary.

I am directed to point out that as far back as 1922 the Indian Fiscal Commission recommended in paras 139 and 140 of their report the framing of anti-dumping legislation containing a special clause inserted for protection of indigenous industries against "exchange dumping." The Indian Tariff Board has on at least two occasions stressed the necessity of even more comprehensive legislation. In paragraphs 8 and 9 of their report on Protection for Galvanized Sheets, the Tariff Board stated :—

> "In all countries in which it has been found necessary to protect home manufacturers against competition resulting from a rapid fall in the price of foreign goods, whether this has resulted from a policy of dumping as usually understood or from other causes, the method adopted has invariably been *the imposition of a duty by the executive without reference to the legislature.* Clearly if serious damage to home manufactures is to be avoided, prompt action is necessary and such action can only be taken by the adoption of measures which do not involve legislative sanction. The provision in the Steel Protection Act of additional duties leviable by the Governor-General in Council is a clear recognition of this principle by the Indian Legislature.... We attach great importance to prompt action where the necessity of additional assistance during the protective period is established. The present is a period of intense competition and in the case of other industries besides coal, any protective scheme to be effective must contain a provision for additional duties which may be enforced automatically. Indian industries are exposed to attack not only as in the case of steel, by Continental manufacturers who wish to dispose of their surplus production, but also by those combinations and quasi-monopolies in foreign countries which form such a prominent feature in modern industrial organization."

Again, in their report for Protection to the Steel Industry, they stated :—

> "We have considered the legislation adopted in other countries to guard against similar dangers, but we have not found it possible to frame our proposals on the model of any of them. In such measures the executive Government is usually empowered to take action when the fall in prices is due to some particular cause, e.g., the depreciation of the exchange, the grant of bounties or the low cost of production in the country of origin....Legislation of the kind proposed is often described as 'anti-dumping' but we have deliberately refrained from making use of that word. Whatever the precise meaning of 'dumping' may be, it always carries with it a suggestion that the 'dumpers' are guilty of some degree of moral obliquity, and may therefore justly be penalized. We prefer to rest our case on other grounds. Whatever the reasons for abnormally low prices may be—whether bounties in the country of origin, specially reduced freights, a depreciation in the exchange of a particular country, a rise in the value of the rupee

as compared with other currencies, or the sale of steel at unremunerative prices—the effect on the Indian market is precisely the same. It is this effect which has to be dealt with, if the protection given is to be effective."

My Committee entirely agree with these views, and they specially desire to endorse the three very important points stressed by the Board :—

(1) Government should have the power to take prompt executive action without the previous sanction of the Legislature ;

(2) All protective schemes to be effective must contain a provision which would enable additional duties to be enforced automatically ;

(3) The powers of the executive should be comprehensive, and should be capable of being utilized in all cases when goods are being imported at abnormally low prices, whatever the reasons for such abnormally low prices might be.

In my Committee's opinion, a legislative enactment for safeguarding indigenous industries against dumping of foreign goods will fail to achieve its object unless these three points of cardinal importance are incorporated in the measure.

The need for immediate intervention by Government for the assistance of an indigenous industry may arise in any one of the following ways :—

(1) When imports from foreign countries are sold in this country at prices lower than the prices at which they are sold in the country of manufacture ;

(2) When imports from foreign countries have the benefit of direct or indirect bounties or subsidies, which may place those industries at a certain advantage compared to the industries of this country ;

(3) When the currency of the exporting country has depreciated below its norma parity with the rupee, and goods are, or are likely to be, exported to India at low rupee prices, to the detriment of an Indian industry or industries ;

(4) When for any reason whatsoever goods are imported from other countries in such quantities or at such prices as seriously to affect the interests of home industries.

The above are perhaps all the important circumstances under which assistance may become urgently necessary, and my Committee would like to deal briefly with each of them in the light of the legislation in force in other countries.

(1) *Dumping Proper.*—It may be difficult to ascertain the price at which a particular article imported into this country is sold in the country of manufacture, but if at any time satisfactory evidence is adduced by manufacturers in this country that particular goods imported from other countries are being sold in those countries at prices higher than the prices at which such goods are being imported into India, Government should in the interests of the indigenous industry levy on the particular imports a duty equivalent to the difference between the rates at which the goods are sold in the manufacturing country and those at which they are imported into this country. It would generally be difficult to adduce satisfactory evidence of this nature, and the Indian Tariff Board of 1926-27, which investigated the conditions of the Cotton Textile Industry of this country, pointed out the difficulties of proving " dumping " in this sense of the term. For practical purposes, however, we are not concerned with the prices at which goods similar to goods imported in this country are sold in the country of manufacture, and it is interesting to note that the Customs Tariff Act of Canada provides for a dumping duty on all goods imported at less than a fair selling price in Canada, whatever be the price at which the goods are actually sold for local

consumption in the exporting country. Clause 6 of the Canadian Act, empowers Government to levy a special or dumping duty on imported goods if the export or actual selling price to an importer in Canada is less than :—

(*i*) the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to Canada at the time of its exportation to Canada ;

(*ii*) the fair market value or the value for duty thereof as determined under the provisions of Section thirty-six of the Sea Customs Act ;

(*iii*) the fair market value thereof as fixed by the Governor-General in Council under the provisions of Section thirty-seven of the Customs Act ;

(*iv*) the value for duty thereof as determined by the minister under the provisions of paragraphs (*a*) and (*e*) of Section forty-one of the Customs Act ;

(*v*) the fair market value thereof as fixed by the Minister under the provisions of Section forty-three of the Customs Act.

In all the above cases a special or dumping duty in addition to the ordinary Customs duty may be levied on such imports equal to the difference between the said selling price of the article for export and the said fair market value thereof or value for duty thereof.

A somewhat detailed reference is made to this clause in the Canadian Act, as it is thought, it might provide a suitable basis for legislation in this country. If a particular industry makes out a *prima facie* case and proves that because competitive goods from foreign countries are being sold at prices which are below a fair market value, Government should have the power to step in and increase the duty to such an extent as to neutralize the unequal competition the indigenous industry has to contend against.

(2) *Bounties and Subsidies, Direct and Indirect.*—The Government of India already appear to have the requisite powers under Section 8A of the Indian Tariff Act to impose an additional duty on imports which enjoy the benefit of a bounty or a grant in the country of origin. In my Committee's opinion, it would be advisable to incorporate the clause in the proposed new measure, and at the same time to widen the scope of the clause by the insertion of the word " subsidy " after the word " grant."

(3) *Exchange Dumping.*—As regards exchange dumping, Government are aware that in recent years, various countries have adopted measures for counteracting the benefit which competing countries have obtained through a depreciation in the value of their currencies. For instance, about a week after the passing of the amended Canadian Tariff Act in September 1930, the Canadian Department of National Revenue issued a memorandum stating that in regard to currencies which were at an exchange rate adverse to Canada, the value for duty in Canadian currency was to be determined by advancing the actual home consumption value by the amount of the premium at the rate or average rate of exchange current upon the date of shipment. As regards depreciated currencies, the value for duty purposes was to be arrived at by computation at the rate or average rate of exchange current on the date of shipment. It was further laid down that in the case of goods imported from countries whose currencies were at an exchange rate adverse to Canada, the amount to be paid for the goods in Canadian or foreign funds must be stated on the invoice, and in respect of goods of a class or kind made or produced in Canada, a special or dumping duty was to apply where the price paid by the purchaser in equivalent Canadian currency was less than the value for duty in Canadian funds arrived at by the addition of the exchange premium. Various orders were subsequently issued from time to time fixing the average value of the pound sterling for the purpose of the dumping duty.

Similarly in France, a Presidential Decree was issued on 12th November 1931 imposing provisional exchange compensation surtaxes ranging from 7 to 15 per cent. *ad valorem* on imports from specified countries with depreciated exchanges. It is noteworthy

that in this Decree, depreciation of foreign currencies has been held to be in the nature of an indirect bounty.

The Italian Government by a Decree issued in March this year granted subsidies to the Italian Mercantile Marine to compensate the Italian shipowners for the damage they were suffering from the abandonment by Great Britain of the gold standard. (See *Times Trade and Engineering Supplement*, dated March 26th, 1932.)

In Germany, the Government drafted a scheme for increased duties to be applied against countries which discriminated against German exports. The Government were empowered to introduce such a tariff under the Decree of January 18th last, which at the same time authorized the imposing of exchange-dumping surcharges.

In South Africa, a dumping clause, on the Canadian model, was introduced in the Customs Tariff Act in 1914. Various amendments were made, and finally the anti-dumping provisions were re-enacted as Chapter II of the Customs Tariff and Excise Duties Amendment Act of 1925. In November 1930, the definition of exchange dumping was altered as below :—

> " Where the exchange value of the currency of the country of origin or export of goods imported into the Union is depreciated in relation to Union currency and by reason of such depreciation goods of a class or kind produced in the Union are being exported to the Union at prices which are detrimental to an industry in the Union, and it would be in the public interest to impose in respect of such goods a dumping duty, the Minister shall from time to time determine the rate at which the currency of such countries shall be computed in terms of the Union currency for the purpose of assessing dumping duty ; and that there shall be charged, levied, collected and paid on such goods on their importation into the Union, in addition to duties otherwise prescribed, an exchange dumping duty equal to the difference between the f.o.b. cost at the port of shipment of such goods to the importer in the Union currency on the one hand, and such cost expressed in the currency of the country of origin or export of such goods computed in terms of Union currency at the rate determined by the Minister on the other hand : provided that the dumping duty or duties levied on any goods shall collectively not exceed one-half of the value of such goods for the purpose of duty as determined under Section 14 of the Customs Tariff and Excise Duties Act (No. 36) of 1925."

Similar legislation prevails in Australia and other countries, and it is unfortunate that notwithstanding the recommendations of the Indian Fiscal Commission made over ten years ago, the Government of India should have taken no steps to arm themselves with the power to render effective assistance to industries. The events of the last few months have strikingly demonstrated the inability of Government to prevent the Indian market from being flooded with Japanese goods at prices which have been abnormally cheapened owing to the depreciation of the rupee value of the Yen.

Before leaving the subject, it is necessary to emphasize again that whatever legislation may be undertaken in this connection must make provision for effective and expeditious action by the executive for dealing with the menace of exchange-depreciation.

(4) *Abnormal Imports from Other Countries.*—As regards the protection required against importations of goods from other countries either in abnormally large quantities or at abnormally low prices, reference must be made to the measure adopted in Great Britain last year. When Parliament found that the Safeguarding of Industries Act had ceased to be effective, they passed in November 1931 an Anti-Dumping Bill officially known as the Abnormal Importations Customs Duty Bill. This enactment laid down that if the Board of Trade were satisfied that goods falling within the scope of the Bill were being imported in abnormal quantities, it may issue an order applying the act to such goods, and levying thereon an import duty not exceeding 100 per cent. of the value of the goods. The Order was to be placed before the House of Commons for confirmation, and it was laid down that the Order would cease to have effect on the expiration of a period of twenty-eight days from

the date upon which it was made unless at some time before the expiration of that period, it had been approved by a resolution passed by the House. The most notable feature of the new measure was that it empowered Government to take immediate executive action to be subsequently confirmed by Parliament. It is also noteworthy that no reference was made in the Act to the reasons which made abnormal importations possible or to the price of imported goods as compared with those of local manufacture. Orders were subsequently passed by the Board of Revenue levying a duty of 50 per cent. for six months on various articles. The Abnormal Importations Act was to be in force for six months, and it gave place to the Import Duties Act which received the Royal Assent in February of this year. Under the new measure the power is still retained to impose duties over and above those of the general import tariff on articles of luxury, or articles of a kind which were being produced, or were likely within a reasonable time to be produced in the United Kingdom in quantities which were substantial in relation to United Kingdom consumption. It is instructive to note that the Import Duties Advisory Committee appointed under the Import Duties Act pointed out in their very first report that they did not deem it necessary to make careful enquiry into the economic position of different industries with a view to arriving at the most appropriate degree of Protection in each case. "Such a process," they wrote, "would inevitably take up much time. Meanwhile, most of the industries of the country would be left in a grave state of uncertainty and the urgent needs of industry and of stimulating employment at home would remain unsatisfied. Moreover, the serious emergency which gave rise to the Abnormal Importations Act might well revive in May next." These observations indicate that it is now generally recognized that whenever industries stand in need of protection, they should be granted effective protection without any unnecessary loss of time in instituting elaborate inquiries into various questions pertaining to the industry.

My Committee have in this letter indicated as briefly as possible what, in their opinion, should be the main features of an anti-dumping enactment. It is for the Government of India after a study of the measures adopted in other countries, and the particular conditions prevailing in India, to frame a Bill calculated to render prompt and effective assistance to industries whose interests are threatened owing to any of the causes enumerated above. My Committee trust that since the need for such legislation is recognized on all hands, Government will lose no time in bringing the necessary Bill before the Legislature. When framing a measure, Government might take into consideration the case of the agricultural interests and the need for their protection under certain circumstances. It may be that the position in which industries find themselves from time to time may also on occasions confront the producer of raw materials. And if at such a time Government were in a position to go to his aid, they would be serving the highest national interests.

There is one further point which requires to be dealt with in regard to the suggested enactment. It is that Government should not be debarred from enforcing the provisions of any safeguarding measure because of the existence of any Commercial Treaty or Convention. In any new trade agreements which Government may enter into, express provision should be made for this purpose. As regards the existing trade conventions, however, the position is more difficult. Very recently, Government have found that they could not impose an additional duty on Japanese piecegoods alone in view of the terms of the Indo-Japanese Trade Convention. If the view that Government have taken be correct, the course of action which is obviously called for is that Government should denounce the Convention, or secure its modification, so that it should not be held in future to be a bar against the adoption of any special measures which may be necessitated by the dumping of Japanese goods. It is to be noted in this connection that after Great Britain had gone off the gold standard, countries having trade conventions with her containing the most-favoured-nation treatment clause, did not hesitate to impose additional duties on imports from Great Britain. Thus the French Government thought they were justified in not continuing to Great Britain the most-favoured-nation treatment after her departure from the gold standard. Again, Great Britain had to protest against the drastic reduction of the German coal import quota, and Germany's reply was that the whole basis of the trade treaty had been altered by the British change over from free trade to protection, and offers were made for fresh negotiations. Whatever may be the juristic view of the matter, it is obvious that no trade convention

should be allowed to stand in the way of effective protection of indigenous industries when their interests are threatened by abnormal importations from other countries. The position to-day is unsatisfactory in the extreme. Various Indian industries are clamouring for relief against imports of Japanese manufactures at prices which defy competition, and if trade conventions were allowed to stand in the way of their securing adequate protection after the necessary legislation had been undertaken, material injury might be done to national interests.

Copy of letter No. 312/T (4), *dated the* 13*th September* 1932, *from the Assistant Secretary to the Government of India, Department of Commerce, to the Association.*

Subject :—ANTI-DUMPING LEGISLATION.

I am directed to acknowledge the receipt of your letter No. 1695/147A, dated the 8th September 1932, on the subject noted above.

APPENDIX 31.

OTTAWA CONFERENCE—TARIFF AGREEMENT BETWEEN THE UNITED KINGDOM AND INDIA.

Copy of letter No. 752-T(4), *dated the* 6*th April* 1932, *from the Secretary to the Government of India, Department of Commerce, New Delhi, to the Association.*

Subject :—IMPERIAL ECONOMIC CONFERENCE, OTTAWA, JULY 1932.

Your Association has doubtless taken note of the recent announcement in the Legislative Assembly relating to India's participation in the Imperial Economic Conference to be held at Ottawa next July and I am now to enclose, for information and reference, a copy of the relevant Question and Answer in the Assembly on the 4th April 1932.

2. Your Association will observe from the statement made by the Hon'ble Sir George Rainy that the Government of India have accepted the invitation extended to them to take part in the discussion at Ottawa of the question whether, having regard to the new tariff policy of His Majesty's Government in the United Kingdom, Great Britain and India should enter into a tariff agreement embodying a reciprocal preferential regime so designed as to benefit the trade of both countries, and that the members of the delegation which will represent India have already been appointed.

3. In inviting your Association to represent its views in the matter, I am, in the first place, to explain the circumstances in which the Government of India have decided to take part in negotiations which may result in recommendations that a preferential tariff agreement should be concluded between Great Britain and India. As your Association is doubtless aware, the Government of India's policy has hitherto been based on a single-decker tariff consisting mainly of purely revenue duties but containing certain duties imposed in pursuance of the policy of discriminating protection for Indian industries. In the case of two classes of imports, namely, articles manufactured from steel and cotton piecegoods, differential rates of duty are at present in force upon goods of British and those not of British manufacture. These differential rates of duty were, as was explained when the relevant legislation was under consideration, incorporated in the tariff in the interests of the consumer in India. All commercial treaties and trade agreements into which India has entered with foreign countries are, in the matter of tariffs, confined to the reciprocal grant of most-favoured-nation treatment, that is to say, India undertakes in them to grant to the other party treatment in respect of imports and exports not less favourable than that given to any other foreign

country. No treaty or trade agreement has hitherto been entered into on a bargaining basis. by which is meant the grant of a preferential rate of import duty in India in return for the grant of reciprocal benefits by the other party to the agreement. Now the Import Duties Act, 1932, recently passed by the British Parliament, has imposed with effect from the 1st March 1932, a general duty of 10 per cent. *ad valorem* on all goods imported into the United Kingdom with certain exceptions, a list* of which is given in an enclosure to this letter, and has empowered the Government to impose additional duties on the recommendation of an Advisory Committee. Under the provisions of the Act, goods produced or manufactured in the Dominions and India will until the 15th November 1932, be free of the general duty of 10 per cent., and also of any additional duty which may be imposed. Dominion and Indian products have thus been given free entry into the United Kingdom for a period of eight and a half months, and the object of this provision is to given an opportunity to each country in the Empire, if it so wishes, to enter into a trade agreement with the United Kingdom. If no such agreement is made with India, His Majesty's Government in the United Kingdom will be free after the date mentioned above to impose on all imports from India any duty authorised by the Act.

4. In these circumstances, the Government of India considered that it was clearly in the interests of the country that the offer made by His Majesty's Government in the United Kingdom should be accepted in order that the possibilities of a special trade agreement might be discussed by representatives of the two Governments in connection with the forthcoming Imperial Economic Conference at Ottawa. At the same time, they have made it clear that, if the conclusion of a trade agreement between Great Britain and India is recommended involving any changes in the Indian Customs tariff, any such changes proposed will be placed before the Indian Legislature for its approval, and that the Government of India have no wish to put any such changes into effect unless the Legislature is satisfied that they are in the interests of India. Further, in the exceptional circumstances, and in view, particularly of the shortness of time remaining before the Conference, the Government of India have decided to address your Association direct and to ask for any proposals or suggestions which it may wish to make regarding matters which might in its opinion be brought specially to the attention of the Indian Delegation. I am to request, however, that a copy of any reply which your Association desires to make to this letter may be furnished to the Government of Bombay, and that, as time is pressing, steps may kindly be taken to ensure that the reply is despatched so as to reach this Department not later than the 1st May 1932.

LEGISLATIVE ASSEMBLY.

Dated, 4th April 1932.

Question by Mr. C. S. Ranga Iyer.—With reference to the recent announcement by the Secretary of State for India that the Government of India would take part in the Imperial Economic Conference at Ottawa next July, will the Government be pleased to make a statement explaining what action they propose to take in the matter ?

Answer by the Hon'ble Sir George Rainy.—The Government of India have agreed to send a delegation to the Imperial Economic Conference which will meet at Ottawa in July next. They have been informed that the principal item on the agenda of the Conference will be the discussion of a policy of trade agreements between different countries of the Empire and they have been invited in particular to consider the question whether, having regard to the new tariff policy of His Majesty's Government in the United Kingdom, Great Britain and India should enter into a tariff agreement embodying a reciprocal preferential regime so designed as to benefit the trade of both countries. The Government of India have accepted this invitation and His Excellency the Viceroy has, with the approval of the Secretary of State for India, appointed the following gentlemen to represent India at the Conference :—

Leader.— Sir Atul Chatterjee.

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* Not printed.

Members.—Mr. R. K. Shanmukham Chetty,
Sir Padamji Ginwala,
Seth Haji Abdoola Haroon,
Sahibzada Abdus Samad Khan,
and Sir George Rainy.

If the conclusion of a trade agreement is recommended as a result of the Conference, any changes in the tariff which it may involve will be duly placed before the Legislature for its approval. The Government of India have no wish to put any such changes into effect unless the Legislature is satisfied that they are in the interests of India.

Copy of letter No. 853/110, *dated the* 28*th April* 1932, *from the Association to the Secretary to the Government of India, Department of Commerce, Simla.*

Subject :—IMPERIAL ECONOMIC CONFERENCE, OTTAWA, JULY 1932.

I am directed to thank you for your letter No. 752-T (4) dated 6th April 1932, inviting my Association to make suggestions regarding matters which might, in its opinion, be brought specially to the attention of the Indian Delegation at the Ottawa Conference. The question is one on which it is difficult for any public body to express a definite opinion at this stage. Even if the matter is to be looked at from the strict business point of view, and the political considerations inherent in a discussion of the problem are to be brushed aside, no definite conclusions can be reached until the whole field of trading and industrial relations of the two countries is covered by detailed investigation. Indian opinion cannot be expected to pronounce an opinion either on the principle of Imperial Preference or its application to existing circumstances, until reliable data are available, which would clearly establish the advantages to be gained by India by reciprocal trading agreements between the two countries. Such an investigation is only possible at the Conference which has been convened, and until its conclusions are known, judgment has perforce to be reserved.

With regard to the statement made by Sir George Rainy in the Legislative Assembly, my Association welcome the assurance that the Legislature would be consulted before any changes in tariffs are effected. My Association would, however, point out that it is not clear whether it is intended to consult the Legislature only in the event of tariff changes being contemplated. My Association are of opinion that no action should be taken on any of the recommendations of the Ottawa Conference without reference to the Legislature, and that commercial and industrial interests in this country should be given full opportunity of expressing their opinion before the Legislature is called upon to deal with such recommendations.

TRADE AGREEMENT BETWEEN HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM AND THE GOVERNMENT OF INDIA.

We, the representatives of His Majesty's Government in the United Kingdom and of the Government of India, hereby agree with one another on behalf of our respective Governments as follows :—

Article 1.—His Majesty's Government in the United Kingdom undertake that Orders shall be made in accordance with the provisions of Section 4 of the Import Duties Act, 1932, which will ensure the continuance after the 15th November 1932, of entry free of duty into the United Kingdom of Indian goods which comply with the law and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties and which by virtue of that Act are now free of duty.

Article 2.—His Majesty's Government in the United Kingdom will invite Parliament to pass the legislation necessary to impose on the foreign goods specified in Schedule A appended hereto, the duties of customs shown in that Schedule in place of the duties (if any) now leviable.

Article 3.—His Majesty's Government in the United Kingdom will invite Parliament to pass the legislation necessary to secure to Indian goods of the kinds specified in Schedule B appended hereto which comply with the law and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties, the margin of preference over similar foreign goods shown in that Schedule.

Article 4.—His Majesty's Government in the United Kingdom undertake that no order will be made and that Parliament will not be invited to pass legislation which would have the effect of reducing the margin of preference now enjoyed by Indian goods of the kinds specified in Schedule C over similar foreign goods, and further undertake that, in the event of any greater preference being accorded in respect of such goods imported from any other part of the Empire, such greater preference will be extended to similar Indian goods.

Article 5.—It is agreed that the duty on either wheat in grain or lead as provided in this Agreement may be removed if at any time Empire producers of wheat in grain and lead respectively are unable or unwilling to offer these commodities on first sale in the United Kingdom at prices not exceeding the world prices, and in quantities sufficient to supply the requirements of United Kingdom consumers.

Article 6.—His Majesty's Government in the United Kingdom will invite Parliament to pass legislation which will secure for a period of ten years from the date hereof to tobacco, which complies with the law and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties, the existing margin of preference over foreign tobacco, so long, however, as the duty on foreign unmanufactured tobacco does not fall below 2/0½*d.* per lb. in which event the margin of preference shall be equivalent to the full duty.

Article 7.—His Majesty's Government in the United Kingdom will invite Parliament to pass legislation providing for the admission into the United Kingdom free of duty from all sources of the goods specified in Schedule D.

Article 8.—His Majesty's Government in the United Kingdom undertake that they will co-operate in any practicable scheme that may be agreed between the manufacturing, trading and producing interests in the United Kingdom and India for promoting, whether by research, propaganda or improved marketing, the greater use of Indian cotton in the United Kingdom.

Article 9.—His Majesty's Government in the United Kingdom will invite the Governments of the non-self-governing Colonies and Protectorates to accord to India any preference which may for the time being be accorded to any other part of the British Empire, provided that this Clause shall not extend to any preferences accorded by Northern Rhodesia to the Union of South Africa, Southern Rhodesia and the Territories of the South African High Commission by virtue of the Customs Agreement of 1930, and further will invite the Governments of the Colonies and Protectorates shown in Schedule E to accord to India new or additional preferences on the commodities and at the rates shown therein.

Article 10.—The Government of India will invite the Legislature to pass the legislation necessary to secure to United Kingdom goods of the kinds specified in Schedule F which comply with the laws and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties the margins of preference over similar foreign goods shown in that Schedule.

Article 11.—The Government of India will consider, in the light of the findings of the Tariff Board, the protective duties to be imposed on goods of cotton and artificial silk according as they are made in the United Kingdom or elsewhere, and will invite the Legislature to pass legislation by which, where protective duties are not imposed as a result of the recommendations of the Tariff Board upon United Kingdom goods of the kinds specified in Schedule G, the margins of preference shown in that Schedule will be extended to such goods.

Article 12.—The Government of India will invite the Legislature to pass the legislation necessary to secure to the Colonies and Protectorates and the Mandated Territories of

Tanganyika, the Cameroons under British Mandate and Togoland under British Mandate, preferences on the commodities which comply with the laws and statutory regulations for the time being in force defining Empire goods for the purpose of customs duties and at the rates shown in Schedule H and also any preferences from time to time accorded to the United Kingdom if His Majesty's Government in the United Kingdom so request. Provided that the Government of India shall not be bound to accord any preferences to any Colony or Protectorate which, not being precluded by international obligations from according preferences, either (*i*) accords to India no preferences, or (*ii*) accords to some other part of the Empire (in the case of Northern Rhodesia, excepting the Union of South Africa, Southern Rhodesia and the territories of the High Commission) preferences not accorded to India.

Article 13.—His Majesty's Government in the United Kingdom declare that they will maintain their existing policy under which tariff preferences accorded to any Dominion are also accorded to India, and the Government of India, for their part, declare that it is their intention to extend to the United Kingdom any tariff preferences which they may accord to any Dominion.

Article 14.—This agreement between His Majesty's Government in the United Kingdom and the Government of India shall continue in force until a date six months after notice of denunciation has been given by either party.

Provided that in the event of circumstances arising which in the opinion of either party necessitate a change in the rates of duty or margins of preference settled by the agreement on any particular description of goods that party shall notify and consult with the other party with a view to adjustments being agreed upon. If no agreement is reached within six months of the date of such notice it shall then be open to the original party to give to the other party six months' notice of his intention to carry into effect the change desired in the rate of duty or margin of preference on goods of the description named in the original notice and to bring the revised rate or rates into operation at the expiration of this period.

Signed on behalf of His Majesty's Government
in the United Kingdom :
(Sd.) STANLEY BALDWIN.

Signed on behalf of the Government
of India :
(Sd.) ATUL C. CHATTERJEE.

20th August 1932.

SCHEDULE A.

(*Vide Article* 2.)

Description of Goods.	*Rate of Duty.*
Wheat in grain	2*sh.* per quarter.
Rice, husked including cargo rice and cleaned rice whole, but not including broken rice	1*d.* per lb.
Castor oil, linseed oil, coconut oil, ground-nut oil, rape oil, and sesamum oil	15 per cent. *ad valorem.*
Magnesium Chloride	1*sh.* per cwt.
Linseed	10 per cent. *ad valorem.*

SCHEDULE B.

(*Vide Article* 3.)

Description of Goods.	*Margin of Preference.*
Coffee	9*sh.* 4*d.* per cwt.

SCHEDULE C.

(*Vide Article* 4.)

Tea.
Coir Yarn.
Coir mats and matting.
Cotton yarns, unbleached, up to No. 40 Count.
Cotton manufactures.
Leather undressed—hides other than sole leather.
Leather undressed—skins.
Jute manufactures.
Oil seed cake and meal.
Paraffin wax.
Spices.
Teak and other hardwoods, whether hewn or sawn, in so far as now subject to duty.
Woollen carpets and rugs.
Bran and pollard.
Rice meal and dust.
Tobacco.
Castor seed.
Magnesite.
Sandalwood oil.
Granite setts and curbs.
Groundnuts.
Lead.

SCHEDULE D.

(*Vide Article* 7.)

Shellac, seed lac and stick lac.
Jute, raw.
Myrabolams.
Rice, broken.
Mica slabs and splittings.
Crotalaria juncea and any other varieties of Indian hemp that can be distinguished.

SCHEDULE E.

(*Vide Article* 9.)

(1) Ceylon.

(*a*) at a rate of not less than 10 per cent. *ad valorem.*
Cotton piecegoods.
Cotton yarn.
Fresh fruits and vegetables.
Dried, salted and preserved fruits and vegetables.
Big lead (but not lead sheets, tea lead or foil).
Iron and Steel.
Teak and other hard-woods.
Perfumery.
Coriander seed.
Beans.
Apparel.
Boots and shoes.
Woollen carpets and rugs.

(*b*) at specific rates.
Tea at the rate of 12½ cents per lb.
Coffee, raw, roasted or ground, at the rate of 6 cents per lb.
Tobacco manufactures, at rates to be subsequently determined.

(2) Those Governments of British Malaya with whose tariff policy it is consistent to impose duties on the commodities in question.

(*a*) at a rate of not less than 10 per cent. *ad valorem.*
Tanned hides and skins.
Brass, bronze, brassware and bronze ware.
Copper and copperware.
Paraffin wax.
Perfumery.
Groundnuts.
Cotton piece goods.
Fishmaws and sharkfins.

(*b*) at 2 cents per lb.
Groundnut oil (kachang oil).
Gingelly oil.

SCHEDULE F.

(*Vide Article* 10.)

Note :—

The 10 per cent. preference granted to the United Kingdom by the agreement does not extend to commodities in the following classes :—

(1) Those free of duty under Part I of Schedule II of the Indian Tariff Act.

(2) Those dutiable under the following entries in Part II of Schedule II of the Indian Tariff Act :—27A, 29, 43A, 43B, 45B.

(3) Articles dutiable under Part III of Schedule II of the Indian Tariff Act.

(4) Articles duitable under Part IV of Schedule II of the Indian Tariff Act, excepting entries Nos. 60, 61 and 62.

(5) Articles which are liable to protective duty at special rates under Part VII of Schedule II of the Indian Tariff Act.

Specification in annual statement of sea-borne trade of British India.		Rate of preference *ad valorem*, per cent.
APPAREL (EXCLUDING HOSIERY AND BOOTS AND SHOES).—		
1. Apparel (including drapery, uniforms, accoutrements)	In so far as they are not subject to duty under Nos. 45A and 133 of the Indian Tariff Act.	10
2. Apparel—caps, bonnets and hatters' ware		10
3. Apparel—secondhand clothing		10
ARMS, AMMUNITION.—		
4. Filled cartridge cases		10
5. Empty cartridge cases		10
6. Firearms		10
ASBESTOS.—		
7. Asbestos manufactures		10
8. BOOTS AND SHOES of leather		10
BRUSHES AND BROOMS.—		
9. Brushes (paint and varnish)		10
10. Toilet brushes		10
11. Brushes (other than toilet and paint and varnish)		10
BUILDING AND ENGINEERING MATERIALS OTHER THAN OF IRON, STEEL OR WOOD.—		
12. Firebricks		10
13. Cement, Portland		10
14. Cement, other than Portland		10
15. Tiles, other than glass tiles		10
16. Other kinds (except asphalt, bricks, chalk, lime and clay)		10
BUTTONS.—		
17. Buttons, metal		10

Specification in annual statement of sea-borne trade of British India.	Rate of preference *ad valorem* per cent.
CHEMICALS AND CHEMICAL PREPARATIONS (EXCLUDING CHEMICAL MANURES AND MEDICINES).—	
18. Tartaric acid	10
19. Other acids (except acetic, carbolic, citric, oxalic and tartaric)	10
20. Anhydrous ammonia	10
21. Other ammonia and salts thereof	10
22. Disinfectants other than naphthalene	10
23. Bichromate of potassium	10
24. Potassium compounds, other sorts (except chlorate and cyanide)	10
25. Bichromate of soda	10
26. Cyanide of sodium	10
27. Caustic soda	10
28. Sodium carbonate (soda ash and soda crystals)	10
29. Soda compounds, other (except bicarbonate, borax and sodium silicate)	10
30. Other sorts of chemicals (except those indicated above as separately distinguished and except alum, arsenic, calcium carbide, glycerine, lead compounds, ferrous sulphate, magnesium compounds, sulphur and zinc compounds)	10
31. COCOA AND CHOCOLATE	10
32. CONFECTIONERY	10
33. CORDAGE AND ROPE OF VEGETABLE FIBRE (excluding jute and cotton)	10
34. CORK MANUFACTURES	10
35. CUTLERY (except pruning knives)	10
DRUGS AND MEDICINES (EXCEPT CHEMICALS AND NARCOTICS).—	
36. Proprietary and patent medicines	10
37. Other sorts (except aloes, asafoetida camphor, cocaine, morphia, opium, sarsaparilla and storax)	10
EARTHENWARE AND PORCELAIN.—	
38. Earthenware, except pipes and sanitary ware	10
39. Porcelain, electrical	10
40. Porcelain, other kinds	10
FURNITURE AND CABINETWARE.—	
41. Bedsteads	10
42. Wooden furniture, other than bedsteads	10
43. Furniture of other materials, except bedsteads	10
44. GLUE	10
HARDWARE (EXCLUDING CUTLERY AND ELECTRO-PLATED WARE).—	
45. Builders hardware such as locks, hinges, door bolts, etc.	10
46. Domestic, other than enamelled iron-ware	10
47. Enamelled iron-ware	10
48. Gas mantles	10
49. Implements and tools other than agricultural implements and machine tools.	10
50. Lamps, metal	10
51. Parts of lamps, other than glass	10
52. Safes and strong boxes of metal	10
53. Stoves	10
54. Other sorts (except agricultural implements, buckets of tinned or galvanised iron, lamps of glass)	10

Specification in annual statement of sea-borne trade of British India.	Rate of preference *ad valorem* per cent.
INSTRUMENTS, APPARATUS AND APPLIANCES AND PARTS THEREOF, ELECTRICAL (including telephone and telegraph apparatus not being machinery) :—	
55. Electric fans and parts thereof	10
56. Electric wires and cables	10
57. Standard lighting lamps	10
58. Batteries	10
59. Accumulators (including parts) in so far as they are not subject to duty under No. 42A of Schedule II of the Indian Tariff Act	10
60. Accumulators (including parts) in so far as they are subject to duty under No. 42A of Schedule II of the Indian Tariff Act	7½
61. Electric lighting accessories and fittings (including switches)	10
62. Meters (other than telegraphic and telephonic)	10
63. Other electrical instruments (other than telegraphic and telephonic), except meters	10
64. Electro medical apparatus (including X-ray)	10
65 Other electrical goods and apparatus (except electric wires and cables, telegraph and telephone instruments and apparatus, flash lights, parts and accessories of electric lamps, carbons, condensers, bell apparatus and switch boards)	10
MUSICAL.—	
66. Pianos and piano players, complete	10
67. Talking machines and accessories (except records)	10
68. Other musical instruments and parts (except organs and harmoniums complete, and talking machines and records)	10
PHOTOGRAPHIC.—	
69. Cinematograph films, raw, i.e., blank films on which no picture has been impressed	10
70. Photographic, other than above numerated and exposed cinematograph films	10
71. Photographic plates and papers	10
72. Scientific and philosophical	10
73. Surgical	10
74. Wireless apparatus in so far as it is dutiable under No. 43 of Schedule II of the Indian Tariff Act	10
75. Other instruments, etc., not indicated above as separately distinguished in the Trade Returns (except optical), including domestic refrigerators.	10
LEATHER.—	
76. Skins, tanned or dressed	10
77. Unwrought	10
78. Leather cloth (including artificial leather)	10
79. Other manufactures of leather (except pickers, roller skins, saddlery and harness and bags and trunks)	10
LIQUORS, INCLUDING DENATURED AND PERFUMED SPIRITS.—	
80. Ale and beer in bottle	10
81. Ale and beer in other containers including barrels	10
82. Spirit present in drugs, medicines or chemicals	10
83. Spirit, perfumed	10
84. MACHINERY AND MILLWORK, all sorts subject to duty under No. 96 of the Indian Tariff Act, including sewing and knitting machines and parts thereof, and typewriters and parts thereof	10

Specification in annual statement of sea-borne trade of British India.	Rate of preference *ad valorem*, per cent.
METALS AND ORES.—	
85. Aluminium circles	10
86. Aluminium sheets	10
87. Other aluminium manufactures (except unwrought ingots, blocks, bars, etc.).	10
BRASS, BRONZE AND SIMILAR ALLOYS AND MANUFACTURES THEREOF.—	
88. Wrought : mixed or yellow metal for sheathing	10
89. Wrought : Rods	10
90. Wrought : Sheets	10
91. Wrought : Tubes	10
92. Wrought : Wire	10
93. Wrought : Other sorts	10
COPPER.—	
94. Wrought : Rods	10
95. Wrought : Sheets	10
96. Wrought : Tubes	10
97. Wrought : Wire, excluding telegraph and telephone	10
98. Other copper manufactures (except braziers)	10
99. German silver (including nickel silver)	10
100. Iron and Steel, all sorts, which are subject to duty under Nos. 60, 61, 62, and 97 of Schedule II of the Indian Tariff Act	10
LEAD, WROUGHT.—	
101. Pipes and tubes	10
102. Sheets, (other than sheets for tea chests)	10
ZINC OR SPELTER.—	
103. Wrought or manufactured	10
OILS.—	
104. Fish oil	10
105. Essential—synthetic	10
106. Natural essential oils (except almond, bergamot, gajuputti, camphor, cloves, eucalyptus, lavender, lemon, otto rose and peppermint)	10
107. Lubricating (mineral) other than batching	10
108. Mineral : paints, solutions and composition, dangerous, flashing below 76° F.	10
109. Vegetable non-essential oils (except coconut, groundnut and linseed)	10
110. OIL-CLOTH AND FLOOR-CLOTH	10
111. PACKING.—engine and boiler of all kinds (excluding asbestos)	10
PAINT AND PAINTERS' MATERIALS.—	
PAINTS AND COLOURS.—	
112. Blue paint or Paris blue	10
113. Enamels, prepared	10
114. Red lead, genuine dry	10
115. White lead, genuine dry	10
116. Zinc white, genuine dry	10
117. Other sorts (except barytes, graphite, reduced dry red lead and white lead, moist white lead, reduced dry zinc white and moist zinc white)	10

Specification in annual statement of sea-borne trade of British India.	Rate of preference *ad valorem*, per cent.
OTHER THAN PAINTS AND COLOURS.—	
118. Goods, other than turpentine and turpentine substitute and varnish ..	10
PAPER AND PASTEBOARD.—	
PAPER.—	
119. Packing paper	10
120. Printing paper, except newsprint	10
121. Writing paper in large sheets	10
122. Envelopes imported separately	10
123. Other kinds of paper (except " Note and letter paper and envelopes " and old newspaper in bales and bags)	10
124. Paper manufactures	10
PASTEBOARD, MILLBOARD AND CARDBOARD OF ALL KINDS.—	
125. Other than strawboards	10
126. Manufactures of pasteboard, millboard and cardboard	10
PROVISIONS AND OILMAN'S STORES.—	
127. Canned or bottled fruits	10
128. Tinned or canned fish	10
129. Other canned and bottled provisions n.e.s. (except vegetable products—vegetable ghi and fat, etc.)	10
130. Milk, condensed and preserved including milk cream	10
RUBBER MANUFACTURES.—	
131. Pneumatic motor covers	10
132. Pneumatic motor tubes	10
133. Pneumatic motor cycle covers	10
134. Pneumatic cycle covers	10
135. Pneumatic cycle tubes	10
136. Solid rubber tyres for motor vehicles	10
137. Other manufactures except apparel, boots and shoes (and except pneumatic motor cycle tubes)	10
138. SMOKERS' REQUISITES (EXCLUDING TOBACCO)	10
139. SOAP : TOILET	10
140. STATIONERY (EXCLUDING PAPER), PENCILS (EXCLUDING SLATE PENCILS) ..	10
141. Other sorts	10
TEXTILES.—	
Haberdashery and millinery :	
142. Lace and embroidery	In so far as they are not subject to duty under Nos. 45-A and 133 of Schedule II of the Indian Tariff Act. 10
143. Other sorts (except towels not in the piece) ..	10
WOOL.—	
144. Worsted yarn for weaving	10
145. Knitting wool	10

Specification in annual statement of sea-borne trade of British India.	Rate of preference *ad valorem*, per cent.
MANUFACTURES.—	
146. Carpets and floor rugs	10
147. Hosiery	10
148. Piecegoods	10
149. Shawls	10
150. Other sorts (except blankets and rugs)	10
151. TOILET REQUISITES NOT SPECIFIED ELSEWHERE IN THE TRADE RETURNS	10
TOYS AND REQUISITES FOR GAMES AND SPORTS (INCLUDING FISHING TACKLE).—	
152. Toys	10
REQUISITES FOR GAMES AND SPORTS (excluding firearms, etc.) :	
153. Playing cards	10
154. Other	10
155. UMBRELLAS AND UMBRELLA FITTINGS	10
VEHICLES.—	
156. Carriages and carts not mechanically propelled (excluding railway carriages, trucks, etc.)	10
157. Parts of carriages and carts (excluding rubber tyres)	10
158. Cycles (other than motor cycles) imported entire or in sections	10
159. Parts of cycles and accessories (other than of motor cycles) (excluding rubber tyres)	10
160. Motor cars (including taxicabs)	7½
161. Motor omnibuses	7½
162. Chassis of motor omnibuses, motor vans and motor lorries	7½
163. Parts of mechanically propelled vehicles and accessories other than of aircraft (excluding rubber tyres)	7½

SCHEDULE G.

(*Vide Article* 11.)

Apparel (including drapery, uniforms, accoutrements)	10 (In so far as they are subject to duty under Nos. 45-A and 133 of the Indian Tariff Act.)
Apparel—caps, bonnets and hatters' ware.	10 (In so far as they are subject to duty under Nos. 45-A and 133 of the Indian Tariff Act.)
Apparel—second-hand clothing	10 (In so far as they are subject to duty under Nos. 45-A and 133 of the Indian Tariff Act.)
Canvas, cotton	10
Shawls, in the piece, cotton	10
Lace and Patent Net, cotton	10
Fents, cotton, 9 yards long or less	10
Other sorts of cotton manufactures (excluding twist and yarn, piecegoods, thread for sewing, blankets, handkerchiefs in the piece, hosiery, rope and towels in the piece)	10
Lace and embroidery	10 (In so far as they are subject to duty under Nos. 45-A and 133 of the Indian Tariff Act.)
Other sorts of haberdashery and millinery	10 (In so far as they are subject to duty under Nos. 45-A and 133 of the Indian Tariff Act.)
Silk manufactures, excluding yarn, noils and warps, piecegoods and thread for sewing.	10
Goods of silk mixed with other materials, excluding twist and yarn, piecegoods and thread for sewing	10
Artificial silk manufactures, excluding yarn, piecegoods and thread for sewing	10
Goods of artificial silk, mixed with other materials, excluding twist and yarn piecegoods and thread for sewing	10

Specification in annual statement of sea-borne trade of British India.	Rate of preference *ad valorem*, per cent.

SCHEDULE H.

(*Vide Article* 12.)

(*a*) PREFERENCES AT A RATE OF NOT LESS THAN 10 PER CENT. *AD VALOREM*—

Asphalt.
Beeswax.
Soda ash, including Calcined, natural soda and manufactured sesqui-carbonates.
Gum Arabic.
Gum benjamin, ras and cowrie.
Gam dammer.
Dammer batu, unrefined.
Rosin.
Cutch.
Gambier, all sorts.
Citronella oil.
Cinnamon oil.
Cinnamon leaf oil.
Coconuts, husked, unhusked and other kinds, copra or coconut kernel, coconut oil, coir fibre, coir yarn, coir mats and matting.
Fish, dry unsalted.
Fish, dry salted.
Fish, canned.
Fresh vegetables.
Vegetables, dried, salted or preserved.
Fruit and vegetables, canned and bottled.
Fruit juices.
Sisal and aloe fibre.
Ivory, unmanufactured.
Oil seeds (other than essential).
Vegetable oils (other than essential).
Plumbago.
Sago and tapioca (but not sago flour).
Vanilla beans
and so long as it is consistent with India's Tariff Policy to impose Customs duties on the commodities in question :—
Fresh fruits (other than coconuts).
Dried, salted or preserved Fruits.

(*b*) AT A RATE OF 7½ PER CENT. *AD VALOREM*

Betelnuts.
Unground spices.
and, so far as preferences are granted to the United Kingdom, drugs and medicines and apparel of all kinds.

(*c*) PREFERENCES AT SPECIFIC RATE—

Bitters at the rate of Rs. 3-12-0 per gallon.
Coffee at the rate of 1 anna per lb.
Rum at the rate of Rs. 3-12-0 per proof gallon.
Tea at the rate of 2 annas per lb.
Unmanufactured tobacco at rates to be subsequently determined.

Copy of Government of India, Department of Commerce, Press Communique, dated Simla, 20th August 1932.

A Trade Agreement has been reached between His Majesty's Government in the United Kingdom and the Government of India and will be placed before the Indian Legislature for approval. The Government of India will invite the Legislature to pass necessary legislation to give effect to the Agreement if approved. In concluding this Agreement the Indian Delegation have throughout kept before them two main principles, viz., the extension and development of the export trade of India and the reservation unimpaired of the protection enjoyed by certain Indian industries.

The following are the main features of the Agreement.

Apart from a few revenue duties the policy of the United Kingdom in the past has been one of free trade but by the Import Duties Act of 1932 a general duty of 10 per cent. *ad valorem* was imposed on all imports with the exception of certain essential foodstuffs and raw materials. The operation of this duty was suspended as regards Indian and Dominion products pending the result of the Ottawa Conference. As a part of the Agreement reached at Ottawa the United Kingdom will continue to give free entry to all Indian goods within the scope of the general ten per cent. duty. These goods will thus receive a preference of ten per cent. over all competing foreign goods to which this general duty applies. In

addition, the duties on certain foreign goods have been or will be raised to higher levels and preferences enjoyed by Indian goods correspondingly enhanced. The principal commodities affected are :—

Indian Cotton manufactures, Coir manufactures, Indian Carpets and Rugs, Jute manufactures, Tanned Hides and Tanned Skins, Non-essential Vegetable Oils, Sandalwood oil, Oil-seed Cake and Meal, Rice, Groundnuts, Coffee, Tobacco, Tea, Spices, Castor seed, Bran, Pollards, Rice Meal and Dust, Teak and other Hard-woods, Pig-lead, Magnesite, Indian Granite and Magnesium Chloride.

Further discussions will take place in London regarding the terms on which Indian Pig-iron and Semi-finished Steel may be admitted free of duty into the United Kingdom. Contingent on the arrangement come to with other parts of the British Commonwealth of Nations existing preference will also be retained on—

Barley, Peas, Beans, Other Pulses and Millets, Manures, Goat Skins and Asbestos.

Foreign supplies of one commodity which has hitherto been duty-free in the United Kingdom, viz., Linseed will in future be subject to a ten per cent. duty and Indian Linseed will enjoy a corresponding preference. This change has been made because of the importance of Linseed to Indian agriculture.

There are a number of items of India's export trade with the United Kingdom such as Shellac, Raw Jute, Myrobolams, Broken Rice, Mica and Indian Hemp where any important competition from outside the Empire takes the form of indirect competition from substitutes ; in regard to these free entry into the United Kingdom will be continued.

The Indian Delegation has discussed with His Majesty's Government in the United Kingdom and representatives of the United Kingdom cotton trade means by which the greater use of Indian cotton in the United Kingdom might be stimulated and these discussions are still proceeding. It is common ground between the representatives of the United Kingdom cotton trade and the Indian cotton growers that improvement which has taken place in Indian cotton grown during recent years has made it practicable for Lancashire spinners to use substantially larger quantities of Indian cotton than hitherto and that such a development would be of mutual benefit. There is already a definite trend towards a larger proportion of Lancashire's cotton requirements being drawn from India. His Majesty's Government in the United Kingdom have intimated that they would co-operate in any practical scheme agreed between the United Kingdom cotton industries and the Indian growers for promoting the greater use of Indian cotton in Lancashire whether by research propaganda or improved marketing.

On the import side India will give 7½ per cent. tariff preference on certain classes of motor vehicles. On other articles covered by the Agreement the rate of preference will be 10 per cent. These preferences may be given either by increase of duties on foreign goods or by reduction of duties on United Kingdom goods or by a combination of both methods. The 10 per cent. preference extends to the following classes of manufactured goods :—

Building and Engineering Materials, Chemicals, Drugs and Medicines, Earthenware and Porcelain, Furniture and Cabinetware, Hardware, Instruments, Apparatus and Appliances (Electrical, Musical, Photographic, Scientific, Surgical, Wireless and Miscellaneous), Leather Manufactures.

The following metals :—

Aluminium, Copper, Lead, German Silver, Zinc, Brass and similar Alloys and manufactures thereof ; Paint and Painters' materials, Paper and Stationery, Rubber Tyres, and other manufactures of Rubber, Vehicles not mechanically propelled and Cycles.

In these classes of goods the preference is subject to certain specified exceptions which will be announced later and also to the general reservation that it does not extend—

(*a*) to commodities to which protective duties are applicable ;

(*b*) to those which are free of duty at present ; or

(*c*) to those on which on grounds of national policy a specially low rate of duty has been imposed.

The 10 per cent. preference is also applicable to the following miscellaneous manufactures ; to certain articles of food and drink and to certain oils enumerated below :—

Miscellaneous manufactures :

Asbestos manufactures, Boots and Shoes of Leather, Brushes, Metal Buttons, Cordage and Rope with certain exceptions, Cork manufactures, Cutlery, Glue, Leather Cloth and Artificial Leather, Smokers' Requisites, Toilet Soap, Toilet Requisites, Toys and Requisites for Games, Umbrellas and Umbrella Fittings, Filled Cartridges and Cartridge Cases, Oil Cloth and Floor Cloth, Engine and Boiler Packing, Perfumed Spirit.

Articles of Food and Drink :

Ale and Beer, Cocoa and Chocolate, Confectionery, Tinned or Canned Fish, Canned or Bottled Fruit, Canned or Bottled Provisions (with certain exceptions), Condensed and Preserved Milk.

Oils :

Fish Oil, Synthetic Essential Oil, Natural Essential Oil (with specified exceptions), Mineral Lubricating Oils other than batching oils, Paint solutions and compositions containing oil and classed as dangerous and vegetable non-essential oils (with specified exceptions),

In the class Iron and Steel Goods the 10 per cent. preference extends only to those commodities which are not subject to protective duties and in the class of Machinery only to those articles which pay the ordinary revenue rate (25 per cent. *ad valorem*) and not to those which in the interests of agriculture and industries are free of duty or are subject only to the temporary duty of 10 per cent. In the class of textiles it extends only to articles of Apparel, Haberdashery and Millinery which are dutiable at 25 per cent. *ad valorem* and to woollen manufactures with specified exceptions in each case.

No decision is possible as regards goods made of Cotton, Silk and Artificial Silk until the recommendations of the Indian Tariff Board on the cotton textile industry have been received and considered but it has been agreed that when decisions have been reached the 10 per cent. preference will be extended to these goods with the exception of Artificial Silk Yarn and articles on which protective duties may be imposed.

With a view further to develop the external market for Indian manufactures and agricultural products arrangements have been made for the exchange of preferences with Colonies and Protectorates which will generally speaking extend to India the full benefits of their preferential tariffs. When these exchanges become effective this will involve the grant of preferences to India on—

Cotton manufactures and on such commodities as Tea, Coffee, Oil-seeds and Vegetable Oils, Paraffin Wax, Carpets and Rugs.

The Agreement also provides for the grant by India of preferences on certain commodities which are staple exports of the Colonial Empire including—

Specified Gums and Resins, Oil-seeds, Vegetable and Essential Oils, Unground Spices, Coconuts and Coconut products, Fish, Fruits and Vegetables, Sago and Tapioca, Rum and Unmanufactured Tobacco but excluding Sugar.

The Agreement between His Majesty's Government in the United Kingdom and the Government of India shall continue in force until a date six months after notice of denunciation has been given by either party.

Provided in the event of circumstances arising which in the opinion of either party necessitate a change in the rates of duty or margins of preference settled by the Agreement on any particular description of goods that party shall notify and consult with the other party with a view to adjustments being agreed upon. If no agreement is reached within six months of the date of such notice it shall then be open to the original party to give to the other party six months' notice of his intention to carry into effect the change desired in the rate of duty or the margin of preference on goods of the description named in the original notice and to bring the revised rate or rates into operation at the expiration of this period.

Conversations have taken place between the Indian Delegation and the Delegations representing the Dominions on the subject of possible tariff agreements but time did not permit of the consideration of this question being advanced beyond the stage of preliminary discussions. The Government of India will be prepared to consider the matter further when they receive a full report from the Indian Delegation.

Extracts from the Proceedings of the Legislative Assembly in connection with the Hon'ble the Commerce Member's Motion recommending the acceptance of the Ottawa Agreement.

10*th November* 1932.

OTTAWA TARIFF AGREEMENT.

* * * * * *

MR. H. P. MODY (Bombay Millowners' Association : Indian Commerce).—Mr. President, this House has not been called upon ever since the hapless ratio question was decided to deal with a more momentous problem than the one with which it is confronted to-day. In view of the very important and complicated issues involved, it would be a distinct disservice to the country, in my opinion, if we were to bring to bear upon the consideration of this question any pre-conceived notions or political prejudices. I have been studying this Agreement ever since it was published, and I can say that, so far as I am concerned, I have approached the issues involved in it with an absolutely detached mind and with no pre-determination of any sort to find out where and how I can trip the Indian delegation. Nor, Sir, am I going to indulge in cheap sneers at the representative character of the delegation. The delegation may be said to be non-representative only in the sense that it was appointed by the Government of India which is not under the control of this Legislature. But from every other point of view, some, at any rate, of the members of the Delegation can be said to be fully representative in every sense of the word. Taking that detached view of the agreement and of those that lent their hand to it, I will apply only two tests. One is, is the agreement to India's benefit, and the other, what are the possible disadvantages arising from the agreement ?

In order to determine whether the agreement is to the benefit of India, it is necessary to examine in some detail, the case of the various commodities on which preferences have been given by Great Britain. I would like to preface my remarks on these by a quotation from one of the most recent pronouncements, namely, a lecture given by Mr. H. A. F. Lindsay, Trade Commissioner for India in England. He said :—

"India holds one absolute monopoly, namely, jute which is commercially grown nowhere else in the world, and for which no general substitute has yet been found. But

besides jute there are a number of commodities, which, though not monopolies, India produces in greater abundance and more suitably than other countries. Shellac is one; goat-skins, teak, mica are examples, and yet other instances could be cited. These are essential to many industries of the Western World, but are not wholly produced in the West.... Indeed, it is a striking feature of this trade picture how little India's exports compete with the native production of Western countries. In this she has a distinct advantage over South Africa, Australia and New Zealand which are also largely dependent on European and American markets but which export much that is distinctly European in character such as meat, dairy products, fruit and wine."

That, Sir, briefly is the picture of India's export trade in most of the commodities. Now, let us go a little into figures. Taking the year 1929-30, the total exports of India to the world were Rs. 311 crores. England's share of this amounted to Rs. 67 crores. Out of this, when we consider the implications of the agreement, we must take away those commodities which have been placed on the free list like cotton, hides and skins, manganese, raw wool, etc., which amounted to very nearly Rs. 11 crores. We must, again, deduct the commodities which were added to the free list at the instance of the Indian Delegation, such as hemp, raw jute, lac, mica and broken rice. Those accounted for Rs. 8,52,00,000. In other words, when we consider what India stands to gain, we must deduct from Rs. 67 crores, very nearly Rs. 19 crores, leaving only Rs. 47 crores of exports to be considered. Again, out of these Rs. 47 crores, the largest item must be deducted—we will come to that later—namely, tea, which accounts for Rs. 23 crores. Thus the total figure to be taken into consideration is something like Rs. 24 crores.

Let us now examine the various preferences. I will try to deal with them as briefly as I can. I shall first take the commodities which are included in Schedules A and B, and which are in the nature of new preferences. The first is wheat. The delegation make the claim that though the question may not be as important to India as to the Dominions, still the time may come when with irrigation schemes and the like India would want to participate in the benefit of any arrangement which may be made by Great Britain with the Dominions. That, Sir, is a very far cry. When we produce more wheat, when we produce a really substantial exportable surplus, let us talk of wheat. For the time being, let us take facts as they are and as they have been for ages and ages. And what are the facts? In 1929-30, out of a total of 111 million cwts. imported by Great Britain, she took from India only 140,000 cwts., a most negligible figure; I do not think it really required even mentioning. Those who look into the pages of the sea-borne trade returns will find for themselves that in the last 4 or 5 years we had as a matter of fact, on the balance, imported rather than exported wheat. So, I say that wheat must be absolutely banished from the consideration of this question.

The next item that has been mentioned is rice. India consumes practically the whole of the rice that she produces. Only 7 per cent. of her production goes outside the country, and out of this quantity Great Britain takes 3 per cent. The remainder of the requirements of Great Britain is supplied not by Empire countries but by Spain and the United States of America. Therefore, even if our rice was taxed, we should be in the same position as Spain and the United States, even if we thought that rice was a commodity which we have to take into consideration when dealing with our export trade. (Mr. B. Dass: "You forget Burma.") Then take coffee. India's share only amounted to 8½ per cent. Now, there has been on coffee for a number of years a preference in favour of Empire countries. In spite of that, the exports to Great Britain from India have continued to be stationary, while the exports of other Empire countries have gone up. India's share, as I said, is 8½ per cent., the share of the Empire is 45 per cent.; and apart from Central America and Brazil which are very formidable competitors for the coffee trade in Great Britain, British East Africa is perhaps the strongest of the Empire countries which is our competitor. I was not present here the other day when my Honourable friend Dr. DeSouza, who should know a great deal more on the subject than I do, expounded the argument that this preference on coffee would be of distinct benefit to India. I say that the benefit is there, but it is rather negligible, and in view of the undoubted fact that India's consumption of coffee is increasing at a rapid rate, I do not think that the coffee trade ought to give us any concern.

DR. F. X. DESOUZA : May I point out as a matter of personal explanation that the benefit I indicated was the possibility of capturing the English market to the extent of Rs. 5 crores.

MR. H. P. MODY : That is a very tall order, Mr. President ; I should be satisfied with even Rs. 50 lakhs ! I pointed out that Central America and Brazil export the most, and that British East Africa is our strongest competitor among the Empire countries, and that India's sendings have been stationary in spite of the fact that there has been a preference in operation for a number of years. (An Honourable Member : How much ?) I could not tell you that straightaway, but it has been in operation since 1919. In view of that, to say that we can capture Rs. 5 crores worth of additional trade is, I submit with great respect to my Honourable friend, a very tall order.

Take vegetable oils. The exports to Great Britain are, even as things stand, increasing and increasing substantially. My anxiety is to present a fair picture, and not to try and damn the Delegation's work, but rather to appreciate whatever they have done which is of benefit to India, and to point out where in my judgment at any rate they have taken a view of the situation which is not warranted by facts. I say that in the matter of vegetable oils a preference would undoubtedly be useful, but to what extent it would be useful is a matter for consideration. The Delegation themselves have pointed out two handicaps which have interfered with the expansion of the trade in vegetable oils, and those are, expensive packing and high sea freight. The question is whether this particular quantum of preference which has been given in respect of vegetable oils will be enough to overcome those two handicaps which the Delegation themselves have mentioned.

The next commodity is magnesium chloride, and it is proposed to have a duty on the foreign article of one shilling per cwt. Sir, the House should know something about the magnesium chloride industry in India, because it dealt with the question of protection only a short while ago. With great respect, I would laugh out the possibility of India being able to export magnesium chloride to any extent. In spite of the protection which was proposed by the Tariff Board and accepted by Government, the House may remember that I moved and carried an amendment that if in spite of the protection, foreign competitors dumped their goods in India, the Government of India should without reference to the Legislature increase the duty correspondingly. Sir, that amendment was accepted by the House. That shows that even with protection the magnesium chloride industry is not capable of holding its own, but for the power which the Government of India have in their hands of imposing an additional duty without reference to the Legislature in the event of powerful foreign combines, particularly German, dumping magnesium chloride in the Indian market. So, I say magnesium chloride ought to be ruled out altogether.

The last of the six commodities in Schedules A and B is linseed, and I must again admit that here the preference would certainly be of advantage to India. But we have to consider how far that advantage would go. There has been no doubt that India has been losing ground to Argentine, and it is a question whether a 10 per cent. preference would be enough to overcome the competition from the Argentine. I think there is considerable disparity in price, and the question that we have to consider is—is the preference which has been proposed enough to make us level, so to speak, in competitive capacity with the Argentine in the matter of linseed ? (An Honourable Member : Not unless production is increased.) Exactly. The delegation say it is necessary apart from the preference that the production of linseed should increase, and they mention a figure of 2 million acres. Is that within the bounds of practical politics to-day ? You can do it in a number of years but after all this agreement is to be operative only for a very short time. Do you expect within that time, linseed would benefit to the extent to which you think it will by bringing into the acreage as much as 2 millions more. I say, Sir, that that in my opinion is an estimate wide of the mark.

While I am on linseed, I would say that if Great Britain had offered a preference to cotton seed, then it would have been of distinct advantage. I would repeat that the preference is useful, in spite of the competition of Argentine. My only point is that it may

not prove so very effective as the delegation and my friends over there seem to imagine. In cotton seed, however, we are experiencing a great deal of competition from Egypt, and if it had not been put on the free list and had been given a preference India would undoubtedly have stood to gain.

That finishes Schedules A and B in which fresh preferences have been proposed. Now, Sir, let me go on, unfortunately the time at my disposal is limited (Honourable Members: Go on), to the preferences which are retained. The distinction that I would like to draw is that here there is no question of India having lost her ground. India has not lost her ground. She has managed to retain it, even to strengthen it but the point is that we are told now that if we do not ratify this agreement, much of the ground which India has retained could no longer be retained because Great Britain would give preference to the rest of the Empire countries and leave India out in the cold. Let me preface this part of my remarks with a general statement. The United Kingdom's share in India's import trade amounted in pre-war years to 63 per cent. In 1927-28 it was 48 per cent., in 1928-29, 45 per cent., in 1929-30, 43 per cent., in 1930-31, 37 per cent. until in 1931-32 it came down to 35 per cent. That is to say from 63 per cent. in pre-war years, England's share in the import trade of India dwindled to 35 per cent. What is the other side of the picture ? And that illustrates the point which I am trying to make, namely, that so far as conditions are what they are, India's position in the markets of Great Britain is secure. The corresponding figures of export are 25 per cent., 25 per cent., 25 per cent., 21 per cent., 22 per cent., 22 per cent. and 28 per cent. in 1931-32. The fact is that India's position to-day is secure in the markets of Great Britain. Having made that general observation, I pass on to some of the important items I have selected such as those as would rather prove my Honourable friend's case. Take tea. There is not the least doubt that this is the most important of all the commodities which are affected by this agreement. I do not hold with those people who say that the capacity of Ceylon or of Java is limited. I think they are talking absolutely without the book. I do not also hold with those who say that because it is British capital, therefore Great Britain will not discriminate against it. What is wrong with British capital ? I have no prejudice of any sort against it. What is there to prevent my Indian friends from buying tea shares ? The monopoly in jute was in Scottish hands for a number of years and to-day the largest holders of jute shares are Indians. In the same way the time may come when we may have a larger and larger share in the tea trade. So I dismiss that argument also. What I would point out is that it is undoubtedly true that if this preference of 2*d.* which has now been given to Empire tea under the last budget, and not mind you under the Import Duties Act, if that were done away with, and Ceylon continued to enjoy preference there is no doubt that we should lose a great deal of our trade to Ceylon. Perhaps, we should lose a part of our trade also to Java and Sumatra. The only point is, what are the possibilities of such action being taken ? While I admit that if the preference were done away with, there would be a very considerable injury done to the tea trade, I think England will think ten times before it seeks to do away with this preference of 2*d.* Why ? For the simple reason that India is the largest supplier of tea to the United Kingdom, and if she was put on the same footing as foreign countries, the duty of 4*d.* against Indian tea would determine the price of tea to the consumer in Great Britain. That is an economic fact, which I would like to see any of my Honourable friends challenge. So I doubt very much whether action would be taken against Indian tea, in view of the fact that the price of tea would be raised all round, and the consumer would be hit very hard. Do not let us forget that tea was free of duty and that it was for budgetary and revenue considerations that this preference was introduced. We shall next take jute manufactures. While India gains by the proposed preference as against the Dundee jute industry, we must remember that Great Britain only takes 6 or 7 per cent. of the total exports from India to various countries. If preference were not given, it may be that our exports to Great Britain might diminish to a certain extent, but do not forget that as regards jute manufactures, we have the whip-hand in the sense that we have a monopoly of the production of raw jute, and if a duty were imposed upon jute manufactures, it could be countervailed by an export duty on raw jute. I am not saying that it would be done, but there is the possibility. Now let me take teak. The industry exports about 10 per cent. of her total output and supplies more than half of the British market's requirements. If preference were eliminated, Indian trade would be affected to a certain extent, but I do not know to what extent that would be, because no figures are

given. I am sorry to have to go on at this length, but I hope, Sir, you will give me a little indulgence, because I have made a study of this subject. (Some Honourable Members : Go on, go on.) Next let me take pig lead. The largest export is to the United Kingdom. Here the retention of a preference, I will admit, would be of advantage, but again it is not possible for us to say what the advantage would be. Here I want to make a general complaint against the Report of the Indian Delegation. We were given the report on the 13th of October. But the detailed facts and figures which are absolutely essential for a study of this question have not been supplied. Only general statements are made, sometimes backed up by a few facts and figures, and we have had to wade through blue books and works on economics in order to determine how far the statements which are to be found in the report can be substantiated. Therefore it is that while I admit that in the case of pig lead and teak a preference would be of distinct advantage, I am not in a position to assess what that advantage would be in the absence of the figures which are required. Next we have spices. They are a negligible item in so far as the value of the export to Great Britain is concerned, and I do not think they ought to have been made a song of in the Report of the Delegation. Then, take tobacco. I shall not weary the House by attempting to go into details but I will say this as regards tobacco. In Great Britain, the tastes and habits of the people are changing and to-day a very considerable amount of cigarettes is being consumed—a great deal more than any other kind of manufactured tobacco. India does not produce enough of cigarette tobacco yet. Such tobacco requires skilful blending : and if India were to produce such tobacco in appreciable quantities to-morrow, there is a great deal of the country's own consumption to look after. Cigarette factories are springing up fast in India and you will find, Sir, that if India were to increase her production of cigarette tobacco, it will all be absorbed by the home market.

The other side of the picture is what would be the possible disadvantages to India if this Agreement were ratified. Now the first general feature which strikes one is the extraordinary range of preferences given. My Honourable Leader, Sir Abdur Rahim, pointed this out yesterday. What I want in this connection to do is to draw Honourable Members' attention particularly to the report of the Fiscal Commission of which you, Sir, were the distinguished President. I do not know how many times the Report has been quoted. I wonder if you quite like it !—but I must quote paragraph 25 of the Report :—

> " In our view it is clear that if preference is to be given, it must be confined to a comparatively few commodities and cannot take the form of a general preferential tariff. The commodities selected must be as far as possible those in which British manufacturers already hold an important part of the market and in which the grant of a preference is likely to develop rapidly the portion of the market which they will command so that the burden on the consumer, if any, will be removed at an early date."

Sir, I have examined, somewhat hurriedly, the whole schedule of the articles on which India is to give a preference. In respect of a few items, the test laid down by the Fiscal Commission is satisfied, in that England holds a great part of the Indian market, and if we were to consider mutual preferences, it would be right and proper that we should give preference on those articles. Then, there is another class of articles where the trade of Great Britain is so very small that to give preference to Great Britain by raising the duty on the foreign article would be to raise the price to the consumer on all those articles ; and they are the most numerous of the whole lot. By all means give preferences if we have to enter into a trade agreement, but give it on those articles in which Great Britain holds an important position, so that the burden on the consumer may be eliminated at a certain date, but do not give it on an enormous number of articles in such a way that it becomes a general measure of preference. What would be the consequence of that apart from the considerations which I have mentioned ? The case of Indian industries was mentioned in the course of the last two or three days. I do not see that our major industries are going to be affected, but do not forget that in the last year or two a great many small industries have sprung up—cement, paint, painters' materials, aluminium circles and sheets, earthenware, porcelain, electric lighting accessories, safes, strong boxes, boots and shoes, etc. Only the other day, I came across a small factory for the manufacture of plugs and switches. If you are going to give preferences all round, you should consider the effect on such nascent Indian industries that

are rapidly under the stimulus of *swadeshi* springing up in this country. (Applause.) The other disadvantage would be an increase of the burden on the consumer or a loss of revenue. Either Great Britain gets a preference either by a reduction of the duties against her products or by a raising of the duties against foreign products. In the one case there will be a loss of revenue, and in the other case a burden on the consumer. In view of all this, I submit that this Agreement requires the most careful examination. We ought to know what the other part of the arrangement is : in what way are all these preferences which are to be given to articles of British manufacture worked out in the Tariff Bill. Another general consideration has been urged. Many critics have said that there will be retaliation. I am not of that view. Sir, in matters of economics there is no place for sentiment, either of hatred or of love (Hear, hear), and unless some of these professors are able to establish to my satisfaction that it is possible for foreign countries to retaliate against India, I am not going to accept that argument (Hear, hear). But I am going certainly to advance another argument and that is this, that if only a limited trade is going round, and you filch a portion of it from foreign countries, it does not mean that you enlarge your trade. It means merely that the trade has been diverted from one channel into another. I shall give you what was stated only very recently by His Majesty's Senior Trade Commissioner in India and Ceylon. He says :—

> " Apart from the working of economic laws, there has been for many years a tendency all over the world for a country to purchase its imports from those countries which are the most important customers for its own produce."

Unless the world level of prices rises, and unless we get out of this trough of depression, what we shall experience will be that the foreign countries which will be driven out of our markets in respect of those commodities on which we have given preference to Great Britain will on that account buy less of our products, their capacity to pay for our produce to that extent is bound to be diminished. I say, Sir, these are rather important considerations, and they ought to be very carefully examined.

Let me turn for a moment with the arrangements with the Colonies. Kenya, Uganda, Zanzibar and Nigeria and some others have been left out of the picture ; Ceylon and the Malaya States are there. Even in respect of Ceylon, what do we find ? There is a clean rice trade of India which Ceylon will not give preference to. Ceylon, of course, has a right to consult her economic interests, but this is the sort of arrangement we have got with the Colonies. Kenya, Uganda, Zanzibar and Nigeria and other Colonies get preferences without any return, because they are said to be precluded by treaty arrangements from giving us preferences. In British East Africa, for instance, there is a large trade in textiles and India would have been benefited considerably if a substantial measure of preference had been given to her textiles. British East Africa does not do so. It chooses to take her cloth from Japan, thus we are giving preference to a country which chooses to buy her requirements from a foreign country in preference to Empire countries. That is the sort of arrangement which we have come to with the Colonies.

Let me end with an appeal to my Honourable friends. After all, we have only had this report for a month. Very few figures, as I have said, have been given and we have had to wade through blue books and various publications. It is all very well for the British Parliament to get the necessary legislation through in no time, because after all Parliament represents the will of the nation and it is a National Government that is in power. This position does not exist in India. We have besides, only one side of the case before us and we do not know what will be the effect on the revenues of India or what will be the burden on the consumer. I will say to the Government, " you forced down the throat of India the ratio, and even you have realised that it was an evil day when you used your majority for the purpose of ramming the ratio down our throats (Applause from non-official Benches). While I do not deny your technical right to use the votes you have got, I say it will be an even more evil day if you use them after a four-days' general discussion of this character to force this agreement down the throat of India. Let us give it an examination by a Committee of the House. My Honourable friend, Dr. Ziauddin Ahmed's amendment may not be possible of acceptance ; we may not be able to co-opt experts, and to have their report in time, but do let us have at least a Committee of this House and give it an opportunity

to examine the agreement. I for myself promise that I shall import no political bias into the consideration of the question. I shall look at it as a strictly business proposition, and if you convince me that the agreement is to the benefit of India, I shall be your strongest supporter." (Applause.)

LEGISLATIVE ASSEMBLY.

5th December 1932.

Sir Hari Singh Gour's Motion for the adoption of the Ottawa Agreement subject to the conditions laid down by the Special Committee.

* * *

MR. H. P. MODY (Bombay Millowners' Association : Indian Commerce).—Sir, when I spoke on the Resolution moved by the Honourable the Commerce Member, I gave expression to various doubts which I then entertained with regard to the value of the Ottawa Agreement. I asked for the appointment of a Committee to properly study that document in view of the fact that the time and materials available to Members of the House were insufficient for that purpose ; and I then gave the assurance that if I was convinced that the Agreement was to the benefit of India, I would be its strongest supporter. I have risen, Sir, in my place to-day in fulfilment of that pledge. The examination that I have made of this Agreement, with the help of my colleagues and of the enormous mass of material placed at our disposal has convinced me that India cannot stand out of the arrangement made at Ottawa without a vital injury to her interests. I recognise the weight of industrial and commercial opinion against me in this matter. I recognise also how completely I have fallen from grace in the last three weeks. But I am prepared to stand up on any platform and face any number of economists and businessmen in support of my point of view.

Sir, a great many critics have tried their hand at this Agreement—a great many critics, wise and otherwise. The resultant confusion has made it impossible for the general features of this Agreement to be recognised, and has absolutely obscured the larger background against which this agreement has got to be placed if it is to be properly appraised. Our report has tried to get away from details. It has tried to state as fairly and as briefly as possible what this agreement really means to India ; and I hope that those who criticise the report will at least do the framers of it the justice of conceding that a very fair estimate has been made of the precise value of the Agreement.

What is the general picture which the report presents ? First of all, Sir, taking the export side of the question, we have tried to show in what commodities the preferences that we have obtained are valuable, in what commodities they are of no value and in what other commodities they may be of value in the future if certain developments take place. There are, for instance, commodities in which there is little competition from Empire countries and where the preference would be of undoubted value, such as rice, paraffin wax and groundnut oil. There are others in which preference has been obtained actually at the expense of the United Kingdom producer, such as jute manufactures and pig-iron. And there are other commodities in which the withholding of preference would entail very serious injury to Indian commerce and industry, such as tea, coffee and tobacco. I shall not attempt to deal with any figures ; the time for that is past. Our report and the delegation's report are there. I will only place before the House the general lineaments of this Agreement as I now see it. Now, it has not been disputed by any critic, whether in this House or in the Committee which sat to examine the report, that in certain commodities at any rate the preferences would be undoubtedly valuable. But the argument has been urged that after all the increase which you may obtain in the trade with the United Kingdom may be at the expense of your trade with foreign countries. To a certain extent I grant that it may be true ; but I think that to an extent equally large, it is also true that the volume of trade which we would obtain in the United Kingdom market would be a net increase of our trade, and would not mean merely a diversion of it from foreign countries. In this category I will place the various vegetable oils for which there is an enormous market in the United Kingdom, where the increase of trade would not be at the expense of the trade with foreign countries.

This being admitted, namely, that we obtain some valuable preferences which are of use to us, the argument is used that after all India stands in an impregnable position, that she is the world's principal supplier of food-stuffs and raw materials, that she holds a monopoly of various articles and that therefore whatever she did or did not do her position could not be threatened. I say, Sir, as my friend Mr. Morgan just pointed out, that when we are thinking like this we are thinking in the past. We are dealing now with conditions which have enormously altered in the last three years, and it is these altered circumstances that we have to take into consideration when framing an estimate of the situation. What is the position to-day ? The warehouses and markets of the world are glutted with enormous stocks of practically every commodity. Even in that commodity of which we hold a monopoly, namely, jute, there are enormous stocks. At the present moment the world is holding something like 50 per cent. more of stocks in many of the principal commodities like wheat, cotton, rubber, coffee than was the case only a few years ago. It is a matter of equal importance to recognise that the situation with regard to our general export trade has changed very materially. The foreign markets which we used to command are no longer at our disposal through a variety of causes. Principal among these causes is the tariff walls which have been raised in the last two or three years. The report has given a statement of the various duties which foreign countries have imposed on a number of articles.

MR. B. SITARAM RAJU : You do not read the minority report which also deals with that.

MR. MODY : When I refer to the report it means the majority report. I recognise that the minority have not omitted that aspect of the question. I have great respect for the minority's report but I am developing my argument on the majority and not on the minority report.

I should like to quote from the World Economic Survey of 1931-32, a League of Nations publication. It says :—

> " More direct reduction of imports was achieved in 1931 by the introduction of quotas (Czechoslovakia, France, Italy, Latvia, Netherlands and Turkey) ; by prohibitions (Czechoslovakia, Denmark, Estonia, Poland, Turkey and Columbia) ; by State monopolies (Estonia and Sweden) ; by new import duties (Great Britain) ; by increased duties (Austria, Argentine, Australia, Belgium, Brazil, Bulgaria, Denmark, France, India, Italy, Latvia, Lithuania, Netherlands, Poland, the Union of South Africa and Switzerland) ; and by Customs surtaxes for depreciated exchange (Canada and France)."

What I am putting forward is supplementary to what the report has contended, namely, that the situation in foreign countries has changed to a considerable extent. Another factor of equal importance to our trade is the fluctuating conditions of world currencies, the extremely unstable condition of practically every currency in the world. We are linked to sterling ; and so far as our trade with Great Britain is concerned the effect of exchange does not arise ; but as regards foreign countries, our export trade must necessarily be affected by the uncertainty of currency fluctuations. Then there is another consideration which ought to make us recognise that our position is no longer impregnable in foreign countries, and that is the enormous reduction which has taken place in the price levels. From October 1929 which was the crucial date, to March 1931, the price level of imported articles has only fallen by 14 per cent., while that of exported articles has fallen by as much as 39 per cent. What is the inference to be drawn from this ? The inference is that we pay more in the shape of exports for what we import than we did prior to October 1929 ; and it is as a result of this that you notice particularly in four countries, namely, France, Italy, Japan and the United States of America that our trade has been diminishing to a considerable extent in the last three or four years. That brings me to the consideration that Great Britain to-day is the largest and also our most stable market. I will invite the attention of honourable members to what appears at p. 134 of the Review of the Trade of India : there they will see how the character of our export has changed, how Great Britain maintains her position with regard to our exports, while other foreign countries are taking less and less every year. I myself have compiled the figures of the last 15 years, and my study of the question tells me that

measured in values our export trade with foreign countries has dwindled to a very much greater extent than our export trade with Great Britain. Therefore we are up against this, that we are concerned with a market which is the largest and most stable market, and which, if we refuse to deal with it, is bound, in view of the Ottawa arrangements, to do away with the preferences, and put us in the same position as foreign countries.

Another consideration which my honourable friends who oppose this Agreement have lost sight of is that there has been a radical change of policy in the United Kingdom in the last few years. I shall not deal with the Key Industries Protection Duties, the Safeguarding Duties, and the various other breaches in the free trade policy of Great Britain which lasted well-nigh over 70 years. I would invite the attention of the House to a resolution passed by the bankers of Great Britain in July 1930 which was a prelude to the further and final breach in the free trade citadel which took place in March last. That resolution stated that the time had arrived when Great Britain must impose on all imports from foreign countries higher duties than on imports from Empire countries. I finally come to the Import Duties Act which was the logical sequel to this growing change of policy on the part of the financiers, industrialists and statesmen of Great Britain. Thus it is that when we are asked to ratify an agreement with our largest and most stable market, and which ensures a continuance and also increase of our trade with that market, my answer after examination can be only one, and that is that I am not prepared to give up the preferences which are being offered to us. If our position in the foreign markets was as secure as it was a few years ago I would have said that we should be prepared to take the consequences. But that is not possible in view of the enormous changes which have taken place in financial and industrial policy.

The only question that arises is: Are we acquiring these preferences at the cost of our vital interests ? There are only three points to be considered, our industries, the consumer and the taxpayer. I was very agreeably surprised this morning at finding so many champions of industrial interests in this House. (Laughter.) For years I have been conducting a lone fight with the Government of India with regard to the Industry which I specially represent, for years—at least for such time as I have been here—I have strongly supported the case of such industries as have come to this House for relief. I did not find any enthusiastic champions of industry in those days. In view of what may happen in March with regard to the industry which I represent, it has given me great pleasure to listen to my friends, and to see their touching sympathy for industrial interests. I shall know now that even if I have to deal with an obstructionist and unsympathetic government, here is a large and influential section of the public which will stand behind the industry which I represent (laughter). I would have been very glad if my friends had stopped short at that ; but the implication is that now they are amongst the gods, that they are the champions of industry, and I who have always been fighting for protection to the textile industry have deserted the cause. Perhaps my honourable friends do not know, apart from the consistent interest which I have taken in these matters and the way in which I have always fought for every industry that has claimed relief, that even to-day I am engaged in argument with the Government of India with regard to the necessity of putting on the Statute Book some safeguarding legislation which would ensure to all the industries in the country their right place. It is, therefore, idle to tell me what my duties are in regard to the protection of industrial interests. The report tells us exactly how we are going to deal with the problem. A great point has been made of the admission that we have not had enough time to examine the import schedule. If we had been less fair and if we had not said that, the report would perhaps have been acclaimed as a much more convincing document ; but because we were eminently fair and because we said exactly how we have viewed the opportunities of examination that have been given to us, my friends are making a point of it. What, however, is the real point ? The point is only that during the committee stage we had not enough opportunity of examining the Import Schedule ; we are now going into select committee and when we do so, then I assure my honourable friends, if they need any assurance from me, that the case of every single industry which may be affected by the adjustment of the preferences which are to be found in the schedule, will be very carefully considered, and so far as I am concerned I shall not be a party to any report unless, when I have made out a *prima facie* case, the case has been conceded and due protection given. While we have admitted that not enough time had been given for the examination of the Import Schedule, you must remember that this

report came out on the 13th October ; supposing it was in the hands of the public in another week, there has been enough time and opportunity to every industry affected, by it to come forward and say that its interests are threatened by the way in which the preferences are arranged in the schedule, as so many of them have done, and the case of each and every one of them, I repeat, will be very carefully examined.

Sir, very few words are required in respect of the position of the consumer and the taxpayer. So far as the consumer is concerned, the same considerations will guide us, namely that if we feel that the duty has been imposed to the full extent of 10 per cent. preference against the foreigner and if we find that the foreigner holds the market, and that perhaps by raising the duty in that way the consumers' interests will be threatened and no advantage will accrue to Great Britain, we shall press for a reduction of the duty against Great Britain rather than for raising it against the foreigner. These are all questions which will have to be examined in the Select Committee, and it serves no purpose to fasten upon what we have said in our report to the effect that we have not had enough opportunity of examining the Import Schedule.

Lastly comes the case of the taxpayer, and it can be dealt with in a few words. We have the assurance from the right quarter, namely the Honourable the Finance Member, that so far as the taxpayer is concerned, the schedules have been so arranged that taxes will not be raised....

AN HONOURABLE MEMBER : 40 crores he has already taken.

MR. H. P. MODY : He may have taken 400 crores in the past. How is that relevant here ?

MR. S. C. MITRA : What does it matter ?

MR. H. P. MODY : My friend says, what does it matter ? He has got a better fed look than I have (laughter), and he talks of the taxpayer's interest. We have fought against taxes just as strongly as he has, and we are paying taxes just as he is, perhaps to a much larger extent than he imagines. I say that so long as we have the official statement that in the arrangement of the schedule care has been taken to see that the revenues are not affected and that in consequence no necessity arises for increasing the taxes on any article, we must be prepared at the present moment at any rate to accept that position. When we find that the position is altered, we shall know what to do.

There are just one or two points I want to deal with. We say in our report that it is not possible to dogmatise on these questions, and that the only test is experience of the actual results over an adequate period of time. That should not be distorted. We have at the same time definitely said that, so far as we can examine this position to-day, we are convinced that the Agreement is definitely to the interests of India, but we recognise that economic conditions change, and therefore we say that it is not possible for us to lay down definitely what the advantage to India will be. All that we mean is that according to our present reckoning the Agreement is distinctly of benefit to India.

Now, Sir, I come to the last of the points in our report, and that is the safeguards we have provided for ensuring that not only the working of this arrangement will be carefully scrutinised, but that proper opportunity will be given to the public and this House to rectify any blunder that we may have inadvertently committed ; for that we have provided two safeguards : First of all, there is to be an Annual Report, a document which will set out exactly how our export and import trade has fared under this arrangement, how agricultural commodities and industries are affected, what applications have been received from various interests, how they have been dealt with by the Government of India, and so on,—it will be a complete document which will tell the public how the matter stands with regard to India's participation in this Empire arrangement. And finally, Sir, we have secured for this House a most valuable privilege, a privilege which the Government Benches have conceded after some argument, and that is that at the end of three years if this House on an examination

of the whole situation is in a position to say that the Agreement is not to the advantage of India, and says so in a Resolution, then the Government of India undertake to give effect to that Resolution, and to give the consequential notice. That I regard not only as a safeguard for the country but as a valuable privilege for this House.

Sir, I have only one word to say. My own part in this business has been, I see, fiercely attacked in the last few days.

AN HONOURABLE MEMBER : By whom ?

MR. H. P. MODY : By critics of every description. In spite of the fact that I made a strong speech raising doubts about the value of the arrangement, I decided later on that this arrangement is in the interests of India, and when I came to that conclusion I was not going to draw back, and because I had made a certain speech, to shut my eyes to facts, and to stand up again in my place and ignore all the considerations, economic and others, which have appealed to me and convinced me that standing out of this arrangement would hurt India's interests vitally. (Applause from all sides of the House.)

DEPARTMENT OF COMMERCE.

NOTIFICATION.

TARIFFS.

New Delhi, the 24th December 1932.

No. 780-*T.* (11).—In exercise of the powers conferred by sub-section 3B of section 3 of the Indian Tariff Act, 1894 (VIII of 1894), and by section 22 of the General Clauses Act, 1897 (X of 1897), the Governor-General in Council is pleased to make the following Rules :—

RULES.

1. *Short title.*—These Rules may be called the Ottawa Trade Agreement Rules, 1932.

2. *Application.*—These Rules apply to goods consigned from the following countries, namely :—

(*a*) The United Kingdom of Great Britain and Northern Ireland, and

(*b*) The Colonies, British Protectorates, and territories under the British Mandate specified in the First Schedule.

3. *Definitions.*—In these Rules—

(*a*) " Act " means the Indian Tariff Act, 1894 ;

(*b*) " United Kingdom " means the United Kingdom of Great Britain and Northern Ireland ;

(*c*) " British Colony " means any country specified in the First Schedule ;

(*d*) " expenditure on material " means the cost to the manufacturer of the material at the factory or works, including containers but excluding Royalties ; and

(*e*) " factory or works cost " means the cost of production to the manufacturer at the factory or works and shall include the value of containers and other forms of interior packing ordinarily sold with the article when it is sold retail, but shall not include the manufacturer's or exporter's profit or the cost of exterior packing, carriage to port and other charges incidental to the export of the article subsequent to its manufacture.

4. *Conditions for admission at preferential rates.*—No article shall be deemed to be the produce or manufacture of any country to which these Rules apply unless the Customs Collector is satisfied that it has been consigned from such country, and—

(*a*) where the article is unmanufactured, that it has been grown or produced in such country, and

(*b*) where the article is manufactured,—

(*i*) that it has been wholly manufactured in such country from material produced in such country, or

(*ii*) that it has been wholly manufactured in such country from unmanufactured materials, or

(*iii*) that it has been partially manufactured in such country and the final process of manufacture has been performed in such country and that the expenditure on material produced and labour performed in such country in the manufacture of the article is not less than one quarter of the factory or works cost of the article in its finished state :

Provided that where the goods were consigned from a British Colony the material produced and labour performed in any other British Colony may be reckoned as though it were material produced or labour performed in the Colony from which the goods are consigned.

5. *Customs House procedure for goods entered for home consumption.*—If the owner of any goods entered for home consumption claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in Rule 4, the Customs Collector—

(*i*) shall levy and collect the duty at the standard rate, and, if at any time within a period of three months from the date of payment of duty at the standard rate he receives an application in this behalf from the owner of the goods and is duly satisfied that the goods are entitled to entry at the preferential rate, shall make a refund to the owner of the extra duty levied ; or

(*ii*) may, in his discretion, levy and collect the duty provisionally at the preferential rate, subject to the execution by the owner of the goods of a bond in one of the forms prescribed in the Second Schedule* binding himself to pay the balance of the duty.

6. *Customs House procedure for goods entered for warehousing.*—(1) If the owner of any goods entered for warehousing claims that they are chargeable with a preferential rate of duty, but is unable at the time of entry to satisfy the Customs Collector that the goods fulfil the conditions laid down in Rule 4, the Customs Collector shall assess duty at the standard rates.

(2) If the Customs Collector is satisfied before the goods are removed from the warehouse that they are chargeable with a preferential rate of duty, he shall re-assess them accordingly at the time of such removal.

(3) If the goods are removed from the warehouse without the Customs Collector being so satisfied, they may be dealt with in the manner prescribed in Rule 5.

7. *Power to levy unpaid balances as duty short-levied.*—Where any payment of duty due under a bond has not been made in accordance therewith, and upon demand being made, the Customs Collector may, in his discretion and without prejudice to his power to enforce the bond, recover the amount due at any time as if it were duty short-levied within the meaning of section 39 of the Sea Customs Act.

* Not printed.

FIRST SCHEDULE.

[*See Rules* 2 (*b*) *and* 3 (*c*).]

LIST OF BRITISH COLONIES.

East Africa.

Kenya, Uganda Protectorate, and the Mandated Territory of Tanganyika ; Northern Rhodesia ; Nyasaland Protectorate ; Somaliland Protectorate ; Zanzibar Protectorate.

South Africa (including St. Helena).

Basutoland ; Bechuanaland Protectorate ; Swaziland ; St. Helena.

West Africa.

Gambia ; Gold Coast ; Togoland under British Mandate ; Nigeria ; The Cameroons under British Mandate ; Sierra Leone.

Eastern and Far Eastern.

Ceylon ; Hong Kong ; Federated Malay States ; Unfederated Malay States, i.e., Johore, Kedah, Kalantan, Perlis and Trengganu ; Mauritius ; North Borneo ; Sarawak ; Seychelles ; Straits Settlements.

Mediterranean.

Cyprus ; Gibraltar ; Malta.

Pacific.

British Solomon Islands Protectorate ; Fiji ; Gilbert and Ellice Islands ; Tonga ; New Hebrides (Condominium).

West Indian (including the Falkland Islands).

Bahamas ; Barbados ; Bermuda ; British Guiana ; British Honduras ; Jamaica ; Cayman Islands ; Turks and Caicos Islands ; Leeward Islands, i.e., Antigua, Dominica, Montserrat, St. Christopher-Nevis and the Virgin Islands ; Trinidad and Tobago ; Windward Islands, i.e., Grenada, St. Lucia and St. Vincent ; Falkland Islands.

APPENDIX 32.

RE-IMPOSITION OF THE EXCISE DUTY ON CLOTH.

Copy of letter No. 294-*M., dated the* 22*nd December* 1931, *from the Secretary, Calcutta Import Trade Association, Calcutta, to the Budget Officer, Government of India, Finance Department, New Delhi.*

Subject :—EXCISE DUTY ON PIECEGOODS MANUFACTURED IN INDIA.

I have the honour to refer to your letter No. D/2467-B., dated 6th November 1931, in which you asked to be furnished with facts and figures to justify the statement made in paragraph 3 of this Association's letter No. 247-M., dated 30th October 1931, to the effect that from a study of relevant figures the price of Indian piecegoods is at a higher level than warranted.

2. The Committee did not make this statement without being able to support their contention, and they could have furnished figures if figures alone were required. But since they deemed that their letter of 30th October 1931 had aroused interest in the subject of an excise tax on piecegoods manufactured in this country, they considered it desirable to review the whole situation in order to add greater and more telling emphasis to the arguments adduced in their first letter to Government. The Committee trust that you will bear with them in their study of the position, and, as part of it may be of far-reaching effect, they have taken the liberty of endorsing a copy of this letter to the Secretary of the Government of India in the Finance Department.

3. The production of the mill industry increased from 1,893 million yards in 1928-29 to 2,561 million yards in 1929-30 thereby presumably lessening the manufacturers' overhead charges; the immediate past has not seen a recurrence of the serious labour trouble in Bombay which affected the industry some years ago (indeed any trouble that has occurred in that town may be said to have assisted the industry to dispose of its goods); the price paid for all stores, machinery, etc., must have been lower than in former years due to the present economic depression; the competition of imported material has, on account of the high duties, been non-existent; and the price of raw cotton fell during the period September 1929 to March 1931, by as much as 36 per cent. A study of these facts and figures indicates clearly that if the price of cotton manufactures fell during the period September 1929 to March 1931, by only 19 per cent., then the price of Indian piecegoods must be at a higher level than warranted. But to amplify this statement the Committee examined the balance-sheets of the companies engaged in the industry in India and their study of the figures has proved illuminating.

4. There are certain mills in India, mainly if not wholly in Bombay, whose figures do not inspire confidence; and a study of the figures of the whole industry reveals extraordinary differences. There is the contrast in Bombay of one mill with a capital of Rs. 20 lakhs, and having 57,880 spindles and 1,054 looms, making a *loss* of over three lakhs of rupees in 1929 and 1930, whilst another mill in the same town with a capital of Rs. 12 lakhs, and having 42,064 spindles and 1,150 looms, made a *profit* of Rs. 2,19,163 and Rs. 2,75,123 in 1929 and 1930 respectively. Confining the survey to mills in Bombay for the present, there is a third mill, paid-up capital Rs. 9 lakhs, with 46,272 spindles and 1,108 looms, which made profits in 1929 and 1930 of Rs. 29,866 and Rs. 2,43,502 respectively; a fourth mill made Rs. 3,60,080 profits in 1929 as compared with Rs. 1,69,577 in 1928; a fifth mill doubled for 1930 the dividend given in 1929; a sixth mill trebled in 1929 the dividend given in 1928; and a seventh mill showed a profit in 1929 of more than double that in 1928, the profit in 1929 being no less than Rs. 9,88,935.

5. It certainly can be shown that other mills in Bombay made serious losses, but the reasons for this are not far to seek. As far as the mills are concerned outside Bombay, there is no case known to the Committee of serious losses being incurred. In 1928 the Ahmedabad mills made a nett profit of Rs. 50 lakhs on the paid-up capital of Rs. 4 crores or a return of 11·4 per cent. Dividends of 20-30 per cent. in the up-country mills are not uncommon, and certainly, taking into account the great reserves and the large depreciation funds, it would be idle to deny that the financial position of the Indian mill industry, with the possible exception of Bombay, shows a stronger and healthier appearance than any other mill industry in the world. Mr. Arno S. Pearse asserts, in his valuable study of the cotton industry of India (January to March 1930), that the return on the capital invested in the Indian cotton mills, taking the average of the last ten years, is higher than that of any country in Europe or America, and that probably the only country in the world to enjoy a more profitable time than India is Japan. And the Committee have yet to see this authoritatively and convincingly repudiated.

6. Sir George Schuster stated, in the debate on the import duty on raw cotton in the Assembly on the 13th November 1931, that the cotton mill industry had been exceptionally favoured in the last few years. Sir George said "We," speaking from the Government side, "certainly do not grudge those favours, and we are very pleased to see that they have had a very substantial result. But those favours have gone further, because

of revenue needs, than was necessary for merely protective purposes, and if my Honourable friend (Mr. H. P. Mody) wishes to come before the House *in forma pauperis* and appeal to them against this measure because of his own hard case, I really think that if he puts it on that ground he will find it very hard to convince anybody who examines the facts. I have compiled here a very interesting chart comparing the progress of textile production in various countries. I should be very pleased to show it to my Honourable friend afterwards and although I know he will tell me, if I give him a chance to intervene, that even if he is increasing his production he is not making any profits, still I refuse to believe that the millowners of this country would go on producing more and more goods even though they do so at a loss. Now according to the index of production, India is the one country in all the world to-day which is enjoying any sort of prosperity in the textile industry. Starting from a figure on the pre-strike basis so as to give us a reliable figure from which to start, the index of production for India now stands at 130 per cent. For all other countries, making a similar comparison, it is well below 100 per cent. Japan stands at about 95 per cent.; the United States of America stands at about 92 per cent.; the United Kingdom at about 75 per cent.; and France, about whose prosperity we are always hearing so much, is now only producing 65 per cent. of what she was producing in 1928. I think it is not an exaggeration to say that the textile industry of India is the only big manufacturing industry to-day which is working at anything like full time." It is hardly necessary to stress the obvious deductions from this, but the Committee would ask if there is anyone prepared to dispute the fact that the Indian industry is in an almost monopolistic position, helped there and kept there by the assistance of Government; and reaping large profits in a time when profits in the industry throughout the rest of the world are rare and liquidations prevalent—the profits being derived from the fact that the prices of the mills' productions in India are at a higher level than conditions warrant.

7. The Committee know and admit that the Bombay Millowners' Association can produce, and have produced, to Government certified statements of the losses suffered by the mills in Bombay, but can that Association explain away the figures which the Committee have given in a previous paragraph? The Tariff Board, in their enquiry into the mill industry in India (1927), stated that over-capitalization had contributed to accentuate the depression in Bombay and though they were not in the position to make specific recommendations on this head they gave it as their opinion that the matter was one necessitating the further attention of the industry. But little or no attention has been paid by the industry to this opinion as has been the case with many of the Board's recommendations for the economic working of the industry. The mill industry in Bombay has been content to perpetuate its mistakes, and the Government have been inclined to foster this and to disregard the fact that they were encouraging a state of affairs which the Indian Fiscal Commission desired to prevent, namely, the perpetuation of the mistakes of an industrialist at the expense of the consumer. Internal and not external competition is the cause of the losses of mills in Bombay and these losses are confined to the mills which are over-capitalized, which bought machinery, any sort of machinery, at fabulous prices during the boom period.

8. When the figures relative to the decline in the imports and the great increase in indigenous mill production are compared with the consumption figures, it will be seen that despite the natural advantages of the industry, despite the increases in duty and the set against imported piecegoods, despite the increased production, the mills in India are unable to capture wholly the vast market which exists in India for piecegoods. The market is theirs to hold and expand but they rest content with the profits reaped from the limited market reached by their high-priced goods. Meanwhile the hand-loom industry increases by leaps and bounds to meet the need of only masses for a low-priced article. The hand-loom industry must always be present, but the only justification for its amazing development in late years can be that the manufactured material is at a higher price than warranted in this present time of decreased prices. India is essentially a price market; and a study of all the figures relating to the piecegoods trade is convincing that the ryot refuses to pay the price which the Indian mills demand for their goods.

9. The history of the excise tax on cotton piecegoods cannot be disregarded in any consideration of this matter, but the merits of the tax must not be subordinated to any

consideration of its history, especially at this time. At the time of the agitation for the abolition of the excise tax, the arguments adduced in support of the contention that the duty was injurious to the industry were three-fold: first, that the protection afforded by the tariff was inadequate; second, that the industry was heavily burdened by other taxes; and third, that the tax was a tax upon production. The first of these arguments can now be wholly disregarded. The second of these arguments may gain strength from the recent budget impositions of a 10 per cent. tax on machinery and the duty on raw cotton. But it will be appreciated that the incidence of the machinery tax upon production is negligible and can, in fact, be disregarded when remembrance is had of the life and productive capacity of the average machine imported for use in the industry. The duty on imported raw cotton also imposes a negligible tax on the industry as a whole, when it is remembered that Indian cotton is very widely used to spin the counts constituting the bulk, the lucrative bulk, of the trade in cotton manufactures. The third of these arguments contained an element of truth at the time it was made; for the customs duty on all grades of imported cloth was at that time only 11 per cent. and the price of imported cloth had a bearing upon the price of the indigenous cloth which might have rendered an excise tax harmful to the sale of the indigenous products of the mills. The price of the goods made in the Indian mills, however, is not determined by the price of imported cloth any longer, but by conditions prevailing in India itself, in which the main factors are the cost of production, the intensity of internal competition, and the purchasing power of the consuming masses, and it is to a study of these factors that attention must be directed in determining whether or not the tax will be a tax upon production. The Committee consider that it is not. The Indian Fiscal Commission, it will be remembered, examined the whole position regarding the excise duty on piecegoods and the majority view was that after action had been taken to "clean the slate," the matter should be examined *de novo* from the point of view first, of protection, and second, of revenue. The Government need revenue and the Finance Member requires suggestions as to how this need for increased revenue can be met.

10. The budget impositions of September 1931, in placing heavier duties on a rapidly declining import trade, were ill-considered, and they inevitably increased the already heavy burden placed upon the economic well-being of the nation. It is doubtful whether or not they have entirely overstepped the point of maximum yield, but this is a contention upon which the Committee need not enter at this stage. What the Committee fail to appreciate is why, during this time of stress, the Government should not consider the imposition of an excise duty on piecegoods, and indeed other products of indigenous industries, entirely on the merits of the case, and thus bring to the revenue a source of income at once lucrative and expanding. The figures given show that the industry can bear it without any need of burdening the consumer still further; and it is the opinion of the Committee of this Association that immediate and careful consideration should be given to this one suggestion for Central income which has the outstanding merit of productivity in a time of national need.

11. Whilst the Committee have confined their activities to an examination of the case of an excise duty on cotton piecegoods they express the hope that Government will not so restrict their investigations. Sir Walter Layton's report and the report of the Indian Taxation Enquiry Committee, 1924-25, contained valuable suggestions for the expansion of revenue by excise impositions, and now that the import duties on almost every article are at an unprecedented high level it would seem an appropriate opportunity to act on these suggestions, I am to express the hope that the careful attention of Government will be given to this undoubtedly lucrative field for revenue which has remained untouched. The Finance Member has admitted that it would be the normal and legitimate course of Government, indeed any Government, to impose, with every increase of import duty on goods which do not require protection, a countervailing excise duty on similar goods manufactured in this country. But Government have not followed this course with regard to any locally produced articles, for reasons which the Committee would like to see explained. It is true that in the case of an excise duty on piecegoods the Finance Member has intimated that it is against the national feeling, but the statement, the Committee consider, is based on the feeling of the Bombay industrialists and not on the feeling of the nation. In a time of financial strain, such as the present, the Government must seek fresh sources of revenue, and the Committee

most emphatically protest, and the declining consumption of India's imports shows that the public also protest, against the payment of the crushing burdens upon imports. The Finance Member cannot lightly disregard the lucrative source of revenue to be derived from excise duties, whether such impositions are against the feelings of a small section of the country or not, and the Committee would urge that greater and more earnest consideration should be given to the production of revenue by the imposition of excise duties, not only on cotton piecegoods, but upon every other article manufactured in this country for which the duty on similar articles imported into this country has exceeded the amount necessary for protection to the indigenous industries.

12. Reverting once more to a consideration of the cotton industry as a whole the Committee are sure that no one, in view of the figures given, can refute the statement that the price of piecegoods manufactured in India is at a higher level than warranted. A study of the statistics relating to the joint stock companies of British India shows that for the five months, April to August 1931, the number of new companies registered to engage in cotton manufacture was 17 with a capital of Rs. 2,40,50,000, whereas for the same period in 1930 the number of new companies registered was one with a capital of Rs. 25,00,000. Capital is a shy bird, and the Committee most certainly cannot agree, in face of these figures, that the plight of the industry is real. They hold the opinion that the influx of capital demonstrates clearly that the industry is in a flourishing condition.

13. The voice of the Legislature is an indication of the feeling of the people, and the Committee would ask Government to bear in mind the extensive criticisms made of the industry when the Budget speech of February 1930 came forward for discussion. The demands for protection have their origin in Bombay, and Bombay, as cannot be too often said, is not India. The feeling of the responsible representatives of the people is, the Committee consider, towards giving protection to the cotton industry, provided that the protection is not unduly burdensome upon the people of India. And the many and justifiable protests against the increases in duty have made it difficult for the Legislature and commercial bodies to reconcile the conflicting expressions of opinion, which are natural, in order that proper weight may be given to these opinions in deciding the action that can best be taken in the interests of their constituents. It is with the knowledge of this, and with the view of revealing to the country the real facts of the position, that the Committee most respectfully but most strongly urge upon Government the imperative need for an immediate fulfilment of the Finance Member's promise in 1930 that the whole position of the industry would be the subject of a re-examination in a Tariff Board enquiry. By this means alone can the Legislature and commercial bodies have their fears, that the ever-increasing import duties are imposing a burden upon the people, proved or disproved ; by this means alone can the industry in India justify the need of protection ; and by this means alone can the Government obtain the proof, if still needed, that an excise duty on piecegoods manufactured in India is not only a lucrative revenue-producing item, but one entirely justified by the position of the industry.

14. The Committee are fully cognizant of the fact that any examination of the position such as they have attempted is open to the objection that it is biassed, but whilst such an objection might be maintained it does not weaken the strength of the arguments adduced. Their demand for the imposition of an excise duty on piecegoods has the merit of trying to obtain for Government a revenue which has been lost by the increase in import duties, and one which will take away from a flourishing industry only a little of the increased profits which the industry has gained on account of these increases in duty. It has also the merit of productivity in a time when productive taxes are at a premium and the merit of being easily and cheaply collected. The Committee finally would urge that the Government may be pleased to constitute a Tariff Board to re-examine the position of the Indian Cotton Textile Industry.

Copy of letter No. 399/40, *dated the* 18*th February* 1932, *from the Association to the Editor, "Capital," Calcutta.*

In your issue of 14th January 1932, you published the text of a letter addressed by the Calcutta Import Trades' Association to the Budget Officer of the Government of India.

The letter endeavoured to make out that the prices of Indian piecegoods stood at a higher level than conditions warranted, that the Cotton Industry of India was in a very prosperous condition, that the revenue duties recently imposed were ill-advised, and that the piecegoods manufactured by the indigenous industry should be subjected to an excise duty.

It is not my intention to reiterate the various objections against the imposition of an excise duty, because my Association believe that no Government would be so ill-advised as to attempt to impose such a duty in the teeth of the opposition which the whole country would offer to such a tax. Neither shall I attempt to dispose of the argument that the revenue duties recently imposed on cloth were unwise, since the justification for such duties lies with the Government of India and not the Bombay Millowners' Association. The purpose of this letter is to dispose, once and for all, of the contention put forward by the Import Trades' Association that the prices of Indian piecegoods are unduly high and that the Indian Cotton Industry has prospered exceedingly since the imposition of higher duties on imported cloth.

As regards price levels, the only real argument advanced by the Import Trades' Association is that the drop in price of piecegoods between September 1929 and March 1931 was 19 per cent. only, whereas the drop in price of raw cotton during the same period was 36 per cent. This argument is plausible, but it is hardly necessary to point out that it will not bear scrutiny. In the first place, no conclusions of value can be placed on the results of a comparison of prices on particular dates ; prices over a fairly long period must be taken. In the second place, it must be pointed out that the index number which has been taken as the basis for cloth prices by the Import Trades' Association is the index number of wholesale prices for Calcutta, published in the *Indian Trade Journal*, and is not the index number for *Indian* cloth prices at all. It is the index number of the prices of a group of cloths, the bulk of which are imported. In the third place, it should be perfectly obvious even to the man in the street that as long as wages, which are the main item in the cost of cloth manufacture, remain unchanged—and they remained unchanged between September 1929 and March 1931—the cost of the manufactured article cannot fall by the same percentage as the cost of the raw material of which it is composed.

For these reasons, it is clearly impossible to accept the Import Trades' Association's contention of high prices. The actual fact is that the prices of Indian-made cloths were in January 1932 lower than they have been at any time since 1915 ; and despite considerable increases in the import duties on cloth during the last few years, the prices of Indian cloth have not gone up.

The contention that mills have profited unduly since September 1929 is also not in accordance with facts. During the year 1929, the average price of Broach cotton—which may be taken as a basis of price for the raw material used in the manufacture of standard longcloth—was Rs. 339 per candy or 6.92 annas per lb. On a basis of 20 per cent. waste losses, the price per lb. of clean cotton was, therefore, 8.30 annas. The average price of standard Indian longcloth in 1929 according to the current quotations of the Bombay Millowners' Association was 15.41 annas per lb. The difference between the cotton and cloth prices was therefore 7.11 annas per lb. In 1931, the average price of Broach cotton was Rs. 182 per candy, or 4.45 annas per lb. of clean cotton. The average price of longcloth in 1931 was 11.25 annas per lb. The difference between the cloth and cotton prices was, therefore, 6.80 annas per lb. In other words, the prices charged in 1931 for Indian mill cloth were relatively less than in 1929. On the basis of 1929, the average price of Indian standard longcloth should have been 11.56 annas per lb., and not 11.25 annas.

Prosperity of the Indian Mill Industry.—While my Association maintain that it would be to India's great advantage to possess a prosperous and extensive Cotton Textile Industry, they must join issue with the Import Trades' Association in regard to the contention that the Indian Cotton Industry as a whole is at present working on an extremely profitable basis. In 1930, only 4 mills out of the 82 in Bombay City made a profit sufficient to cover depreciation. The results for 1931 are not yet available but are not expected to make much better reading than those of 1930, and few mills will be able to show a working profit on

the year. Even to-day, out of 82 mills in Bombay, no less than 11 are entirely closed and during the last 5 years, 19 have had to be taken into liquidation. It is a fact that owing to certain advantages enumerated in the Tariff Board Report, cotton mills in Ahmedabad and certain other centres have on the whole, during the last few years, done better than mills in Bombay City, but that does not mean that they have prospered greatly since the imposition of the higher duties.

The profits and dividends made by the Ahmedabad mills in 1928 were quoted in the Import Trades' Association's letter, but no mention was made of the fact that the return on the real capital invested in the industry, i.e., the block account, was less than 3½ per cent. In 1929, the position was somewhat better, the return being just over 4½ per cent. The detailed results for 1930 and 1931 are not yet available, but the Chairman of the Ahmedabad Millowners' Association, speaking at a General Meeting in October 1931, stated that profits "have been greatly reduced in 1930 as compared with the position in 1929.....and I am led to believe that in the year 1931 we will have to face another downward tendency."

In other parts of the country, the results of the last two years' working have been most unsatisfactory, and some of the most prosperous cotton spinning and manufacturing concerns in India worked at a heavy loss, while in almost every case, profits and dividends fell away greatly or disappeared.

When practically the whole of the mills in India have been working either at a loss, or on greatly reduced margins, it is absurd for the Import Trades' Association to endeavour to maintain that the Indian consumer of locally made piecegoods has been penalised unduly in regard to the price of his cloth. The propaganda carried on by the Import Trades' Association is foolish and mischievous, and will not find any support in the country.

APPENDIX 33.

INDIAN INCOME-TAX AMENDMENT BILL: DEDUCTION OF TAX AT SOURCE, ETC.

Copy of letter No. 1988/*F, dated the* 27*th October* 1932, *from the Deputy Secretary to the Government of Bombay, Finance Department, to the Association.*

Subject:—AMENDMENTS TO INDIAN INCOME-TAX ACT.

I am directed to forward a copy of Government of India letter No. B. 385-I.T/32, dated 7th October 1932, with two spare copies of its accompaniment and to request the favour of the opinion of your Association on the subject as early as possible and in any case *before the* 1*st December* 1932 *at the latest.*

Copy of letter B. No. 385-*I.T*/32, *dated the* 7*th October* 1932, *from the Government of India, Finance Department (Central Revenues), to the Government of Bombay.*

I am directed to forward herewith 83 copies of the Indian Income-tax (Second Amendment) Bill, 1932, which was introduced in the Legislative Assembly on the 23rd September 1932 and to request that His Excellency the Governor in Council will favour the Government of India with an expression of his opinion on the provisions of the Bill and also forward to the Government of India the opinions of the Honourable Judges of the High Court, Chambers of Commerce and similar bodies representative of public opinion and of such selected officers and other persons as the Governor in Council may think fit to consult on the Bill.

"I am directed to request that the reply to this letter may be sent so as to reach the Government of India not later than the 2nd January 1933."

A Bill further to amend the Indian Income-tax Act, 1922, for certain purposes.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purposes hereinafter appearing ; It is hereby enacted as follows :—

1. *Short title and commencement.*—(1) This Act may be called the Indian Income-tax (Second Amendment) Act, 1932.

(2) It shall come into force on the first day of April 1933.

2. *Amendment of section 5, Act XI of 1922.*—In section 5 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act),—

(*a*) for sub-section (3) the following sub-section shall be substituted, namely :—

"(3) The Governor-General in Council may appoint a Commissioner of Income-tax for any area specified in the order of appointment" ;

(*b*) in sub-section (4),—

(*i*) for the words "in respect of such classes of persons and such classes of income" the words "in respect of such persons or classes of persons and of such incomes or classes of income" shall be substituted, and

(*ii*) after the words "in respect of such areas as the Commissioner of Income-tax may direct" the following words shall be inserted, namely :—

"and, where two or more Assistant Commissioners of Income-tax or Income-tax Officers have been appointed for the same area, in accordance with any orders which the Commissioner of Income-tax may make for the distribution and allocation of cases" ; and

(*c*) in sub-section (6), for the word "province" the word "area" shall be substituted.

3. *Amendment of section 8, Act XI of 1922.*—In the first proviso to section 8 of the said Act, after the word "Provided" the word "further" shall be inserted, and before the said proviso as so amended the following proviso shall be inserted, namely :—

"Provided that no income-tax shall be payable in respect of any sum deducted from such interest by way of commission by a banker realizing such interest on behalf of the assessee."

4. *Amendment of section 9, Act XI of 1922.*—For clause (*iv*) of sub-section (1) of section 9 of the said Act the following clause shall be substituted, namely :—

"(*iv*) where the property is subject to a mortgage, or to a charge or ground rent, the amount of any interest on such mortgage or of such charge or ground rent."

5. *Amendment of section 11, Act XI of 1922.*—For sub-section (2) of section 11 of the said Act the following sub-section shall be substituted, namely :—

"(2) Such profits or gains shall be computed after making the following allowances, namely :—

(*i*) any expenditure (not being in the nature of capital expenditure) incurred solely for the purposes of such profession or vocation, and not being personal expenses of the assessee ;

(*ii*) in respect of depreciation of buildings, apparatus, appliances or furniture being the property of the assessee and used solely for the purposes of such

profession, a sum equivalent to such percentage on the original cost thereof to the assessee as may in any case or class of cases be prescribed."

6. *Amendment of section* 18, *Act XI of* 1922.—In section 18 of the said Act,—

(*a*) to sub-section (3) the following shall be added, namely :—

"Provided that where the Income-tax Officer certifies in writing that to the best of his belief the total income of a recipient will be less than the minimum liable to income-tax or will be liable to a rate of income-tax less than the maximum rate, the person responsible for paying any income herein referred to to such recipient shall, until such certificate is cancelled by the Income-tax Officer, pay the income without deduction or deduct the tax at such less rate, as the case may be" ;

(*b*) after sub-section (3) as so amended the following sub-sections shall be inserted, namely :—

"(3*A*) Where the Income-tax Officer has reason to believe that the total income of any person to whom any interest not being 'Interest on Securities' is payable, will in any year exceed the maximum amount which is not chargeable with super-tax under the law for the time being in force, he may, by order in writing, require the person responsible for paying such interest to such person to deduct at the time of payment income-tax at the maximum rate and super-tax at the rate determined by the Income-tax Officer to be applicable to the income of such person in that year.

(3*B*) Where the person responsible for paying any interest not being 'Interest on Securities' to any person pays to that person in any year an amount of such interest exceeding in the aggregate the maximum amount which is not chargeable with super-tax under the law for the time being in force, the person responsible for paying such interest shall, if he has not reason to believe that the recipient is resident in British India, and no order under sub-section (3*A*) has been received in respect of such recipient, deduct at the time of payment income-tax at the maximum rate on the total amount of such interest, and super-tax on the amount by which such total exceeds the maximum amount not chargeable with super-tax at the rate applicable to such excess" ;

(*c*) in sub-section (5), after the word "income-tax" the words "or super-tax" shall be inserted ;

(*d*) in sub-section (7), after the words "as required by" the words "or under" shall be inserted ; and

(*e*) in sub-section (9), after the word "income-tax," in both places where it occurs, the words "or super-tax" shall be inserted, and for the word, brackets and figure "sub-section (3)," the words, brackets and figures "sub-section (3) or (3*A*) or (3*B*)" shall be substituted.

7. *Insertion of new section* 20*A in Act XI of* 1922.—After section 20 of the said Act the following section shall be inserted, namely :—

"20A. *Supply of information regarding interest.*—The person responsible for paying any interest not being 'Interest on Securities' shall, on or before the fifteenth day of June in each year, furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner of the names and addresses of all persons to whom during the previous year he has paid in respect of money held in deposit for a period of not less than six months' interest or aggregate interest exceeding such amount as may be prescribed in this behalf, together with the amount paid to each such person."

8. *Amendment of section* 24, *Act XI of* 1922.—In section 24 of the said Act,—

(*a*) in sub-section (2), after the words "any member of such firm" the words "or any person who being a minor has been admitted to the benefits of partnership in such firm" shall be inserted ; and

(*b*) to the same sub-section as so amended the following shall be added, namely :—

"or to his share of the benefits of partnership, as the case may be."

9. *Insertion of new sections* 24*A and* 24*B in Act XI of* 1922.—After section 24 of the said Act, the following sections shall be inserted, namely :—

"24*A*. *Assessment in case of death, and departure from India.*—(1) Where—

(*a*) a person has left British India and the Income-tax Officer is satisfied that he has no present intention of returning, or

(*b*) a person dies, or

(*c*) it appears to the Income-tax Officer that any person temporarily resident in British India may leave British India during the financial year then current or shortly after the expiry of that year,

an assessment may be made during the financial year then current on the basis of the estimated income, profits and gains of such person during that year.

(2) The rates at which an assessment under sub-section (1) shall be made shall be the rates applicable by the law for the time being in force in assessments made in that year.

(3) In the case referred to in clause (*c*) of sub-section (1), the Income-tax Officer may serve a notice upon such person requiring him to furnish, within such period, not being less than seven days, as may be specified in the notice, a return, in the prescribed form and verified in the prescribed manner, setting forth (along with such other particulars as may be provided for in the notice) his estimated total income during the current financial year ; and the provisions of this Act shall, so far as may be, apply as if the notice were a notice issued under sub-section (2) of section 22.

24*B*. *Tax of deceased or disabled person payable by representation.*—(1) Where an assessee dies, the executor or administrator of the assessee shall be liable for the tax assessed as payable by such assessee, or for any tax which would have been payable by him under this Act if he had not died, and such tax shall be a debt due from and payable out of the estate of the assessee and shall to the extent to which that estate is capable of meeting it be recoverable from the executor or administrator as if it were income-tax chargeable on such executor or administrator himself.

(2) Where an assessee dies, without having furnished a return under the provisions of section 22, or having furnished a return which the Income-tax Officer has reason to believe to be incorrect or incomplete, the Income-tax Officer may make an assessment of the total income arising or accruing to the assessee before his death and determine the tax payable by him on the basis of such assessment, and for this purpose may require from the executor or administrator any accounts, documents or other evidence which he might under the provisions of sections 22 and 23 have required from the assessee."

10. *Amendment of section* 30, *Act XI of* 1922.—In section 30 of the said Act, in sub-section (1) after the words " objecting to a refusal of an Income-tax Officer " and in sub-section (2) after the word " refusal " the words " to register a firm under section 26A or " shall be inserted.

11. *Amendment of section* 31, *Act XI of* 1922.—In sub-section (3) of section 31 of the said Act,—

(*a*) after the words " in the case of an order refusing " the words " to register a firm under section 26A or " shall be inserted, and

(*b*) in sub-clause (*c*), for the words " to make a fresh assessment " the words " to register the firm or to make a fresh assessment, as the case may be " shall be substituted.

12. *Amendment of section* 32, *Act XI of* 1922.—In sub-section (1) of section 32 of the said Act, for the words " the making of such order " the words " the date on which he was served with notice of such order " shall be substituted.

13. *Amendment of section* 38, *Act XI of* 1922.—To section 38 of the said Act the following clause shall be added, namely :—

" (3) require any person whom he has reason to believe to be engaged in business, to furnish him with a return containing particulars of the location and style of his principal place of business, and of his branch businesses, if any, the names and addresses of his partners in any business, and the extent of his own share and the shares of all such partners in the profits of such business or businesses."

14. *Amendment of section* 46, *Act XI of* 1922.—To sub-section (2) of section 46 of the said Act the following proviso shall be added, namely :—

" Provided that without prejudice to any other powers of the Collector in this behalf, he shall for the purpose of recovering the said amount have in respect of the attachment and sale of debts due to the assessee the powers which under the Code of Civil Procedure, 1908, a Civil Court has in respect of the attachment and sale of debts due to a judgment-debtor for the purpose of the recovery of an amount due under a decree."

15. *Amendment of section* 48, *Act XI of* 1922.—In section 48 of the said Act,—

(*a*) in sub-section (1),—

(*i*) after the word " declared " the following words shall be inserted, namely :—

" or that his total income in such year is below the minimum chargeable with income-tax," and

(*ii*) after the words " between those rates " the following words shall be added, namely :—

" or at the rate applicable to the profits and gains of the company at the time of the declaration of such dividend, as the case may be " ;

(*b*) in sub-section (2),—

(*i*) after the words " registered firm " the words " or any person who being a minor has been admitted to the benefits of partnership in such firm " shall be inserted,

(*ii*) after the words "of that year" the following words shall be inserted, namely :—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(*iii*) after the words "between those rates" the following words shall be added, namely :—

"or at the rate at which income-tax has been levied, as the case may be" ; and

(*c*) in sub-section (3),—

(*i*) after the words "in that year" the following words shall be inserted, namely :—

"or that his total income of the previous year was below the minimum chargeable with income-tax," and

(*ii*) after the words "between those rates" the following words shall be added, namely :—

"or at the rate at which income-tax has been deducted, as the case may be."

16. *Insertion of new section* 48*A* *in Act XI of* 1922.—After section 48 of the said Act the following section shall be inserted, namely :—

"48*A*. *General power to make refunds.*—(1) If in any case not provided for by section 48 or by the provisions relating to refunds elsewhere contained in this Act the Income-tax Officer is satisfied, either with or without claim made in this behalf, that tax has been paid by or on behalf of any person with which he was not properly chargeable or which was in excess of the amount with which he was properly chargeable, the Income-tax Officer shall allow a refund to such person of the amount so paid or so paid in excess.

(2) The Assistant Commissioner in the exercise of his appellate powers, or the Commissioner in the exercise of his appellate powers or powers of revision if satisfied to the like effect shall in like manner allow a refund of any amount found to have been wrongly paid or paid in excess.

(3) Nothing in this section shall operate to validate any objection or appeal which is otherwise invalid or to authorise the revision of any assessment or other matter which has become final and conclusive, or the review by any officer of a decision of his own which is subject to appeal or revision, or where any relief is specifically provided elsewhere in this Act, to entitle any person to any relief other or greater than that relief."

17. *Insertion of new sections* 49*A* *and* 49*B* *in Act XI of* 1922.—After section 49 of the said Act the following sections shall be inserted, namely :—

"49*A*. *Power to set off amount of refunds against tax remaining payable.*—Where under any of the provisions of this Act, a refund is found to be due to any person, the Income-tax Officer, Assistant Commissioner or Commissioner, as the case may be, may, in lieu of payment of the refund, set off the amount to be refunded, or any part of that amount against the tax, if any, remaining payable by the person to whom the refund is due.

49*B*. *Power of representative of deceased person or person disabled to make claim on his behalf*.—Where through death, incapacity, bankruptcy, liquidation or other cause, a person who would but for such cause have been entitled to a refund under any of the provisions of this Act, or to make a claim under section 48 or 48A or 49, is unable to receive such refund or to make such claim, his executor, administrator, trustee or receiver, as the case may be, shall be entitled to receive such refund or to make such claim for the benefit of such person or his estate."

18. *Insertion of new section 50A in Act XI of* 1922.—After section 50 of the said Act, the following section shall be inserted, namely :—

"50*A*. *Appeal against refusal of refund*.—(1) Any person objecting to a refusal of an Income-tax Officer to allow a claim to a refund under section 48 or 48A or 49 or to the amount of the refund made in any such case, may appeal to the Assistant Commissioner.

(2) The appeal shall be presented within thirty days of the date on which the refusal of the refund or the amount of the refund allowed was communicated to the appellant.

(3) The appeal shall be made in the prescribed form and shall be verified in the prescribed manner.

(4) The Assistant Commissioner may after giving the appellant an opportunity of being heard, pass such orders as he thinks fit."

19. *Amendment of section* 51, *Act XI of* 1922.—In clause (*c*) of section 51 of the said Act, after the word and figures "section 19A," the word and figures "section 20A," shall be inserted.

20. *Amendment of section* 52, *Act XI of* 1922.—In section 52 of the said Act, after the words and figures "section 19A or" the words and figures "section 20A or" shall be inserted.

21. *Amendment of section* 54, *Act XI of* 1922.—In the first proviso to sub-section (2) of section 54 of the said Act,—

(*a*) after clause (*c*), the following clause shall be inserted, namely :—

"(*cc*) of any such particulars occasioned by the lawful exercise by a public servant of his powers under the Indian Stamp Act, 1899, to impound an insufficiently stamped document, or"; and

(*b*) after clause (*d*), the following word and clause shall be added, namely :—

"or

(*e*) of the fact that a penalty has been imposed on any person under section 28 for concealment of income or for deliberately furnishing inaccurate particulars of his income, or for improper distribution of profits, or that an offence committed by any person has been compounded under sub-section (2) of section 53."

22. *Amendment of section* 58, *Act XI of* 1922.—In sub-section (1) of section 58 of the said Act,—

(*a*) for the word "except" the words "relating to the charge, assessment, collection and recovery of income-tax except those contained in" shall be substituted ;

(*b*) after the word and figures "section 14" the word "and" shall be omitted; and

(*c*) after the word and figures "and 48" the words and figures "and Chapter IXA" shall be inserted.

23. *Amendment of section* 58G, *Act XI of* 1922.—In section 58G of the said Act,—

(*a*) sub-sections (1) and (2) shall be re-numbered as sub-sections (2) and (3), and before sub-section (2) as so re-numbered the following sub-section shall be inserted, namely:—

"(1) Where the accumulated balance due to an employee participating in a recognized provident fund becomes payable, such accumulated balance shall be exempt from payment of super-tax except to the extent of an amount equal to the aggregate of the amounts of super-tax on annual accretions that would have been payable under section 58E up to the first day of April 1933, if the Indian Income-tax (Second Amendment) Act, 1932, had come into force on the 15th March 1930";

(*b*) in sub-section (2) as now re-numbered, the words "and super-tax" shall be omitted; and

(*c*) in sub-section (3) as now re-numbered, for the word, brackets and figure "sub-section (1)," the word, brackets and figure "sub-section (2)" shall be substituted, and for the words, brackets and figures "sub-sections (1) and (2)" the words, brackets and figures "sub-sections (2) and (3)" shall be substituted.

24. *Amendment of section* 60, *Act XI of* 1922.—In sub-section (2) of section 60 of the said Act, after the words "in advance" the words "or by reason of his having received in any one financial year salary for more than twelve months" shall be inserted.

25. *Amendment of section* 66, *Act XI of* 1922.—In section 66 of the said Act,—

(*a*) in sub-section (2), after the word and figures "section 32" the words and figures "or section 33" shall be inserted;

(*b*) in the proviso to the same sub-section, after the word "question," the following words shall be inserted, namely:—

"or if, in exercise of his powers under sub-section (3), the Commissioner refuses to state the case"; and

(*c*) in sub-section (3), after the words "on the ground that no question of law arises" the words "or on the ground that the application has not been made within the time allowed under sub-section (2)" shall be inserted.

STATEMENT OF OBJECTS AND REASONS.

The proposals contained in this Bill fall into two groups.

The first group comprises provisions aimed at the prevention of evasion. These proposals are contained in clauses 6 (*b*), 7, 11 and 23. The first two proposals are designed to apply *mutatis mutandis* to interest (other than interest on securities) provisions which already exist in connection with dividends of companies, whereby tax may be deducted at source when paid to recipients whose income is so large that it is liable to super-tax, and information of amounts paid has to be furnished to the Income-tax Department even if the incomes of the recipients are not known to be so high as to be liable to super-tax. The

object of these two amendments is to stop a leakage, which is at present believed to be serious, owing to the concealment of income derived from interest (other than interest on securities), especially interest paid on deposits with Banks.

The proposal in clause 11 is designed in part to enable an assessment to be made on a person who is about to leave India in the course of a financial year ; and that in clause 23 to remove the seal of secrecy from proceedings in which penalties are imposed, offences compounded or prosecutions sanctioned, in the hope that fear of publicity may have a deterrent effect upon those who contemplate frauds on the revenue.

The second, and much larger, group comprises miscellaneous amendments to remove various defects in the existing law. Of these amendments, the objects of which are set forth *seriatim* in the Notes on Clauses, the most numerous—and the most important—are intended to grant to the assessees certain concessions the withholding of which is regarded as inequitable or the security of which is, under the existing phraseology of the law, open to doubt.

SIMLA, A. A. L. PARSONS.
The 7th September 1932.

NOTES ON CLAUSES.

Clause 2 (*a*).—At present a Commissioner's jurisdiction must consist of one or more entire Provinces. The amendment aims at enabling the Governor-General in Council to appoint a Commissioner of Income-tax for the whole of a Province together with parts of one or more other Provinces, or for parts of two or more Provinces.

(*b*) The object of this amendment is to enable the Commissioner of Income-tax to appoint special Income-tax Officers to deal with specially difficult or important cases, and to post two or more Assistant Commissioners or Income-tax Officers to a single Circle or District and distribute the work with a view to convenience or the avoidance of congestion.

Clause 3 is intended to allow commission paid by an assessee to a banker for the realization of interest on securities to be treated as an admissible deduction against the interest so realized.

Clause 4.—The re-draft of sub-section (1) of section 5 makes it clear that it is the amount of the charge on property and not of the interest on the charge that is to be allowed as a deduction.

Clause 5.—At present allowance for depreciation is only made to persons deriving income from business. The amendment extends this concession to professional men.

Clause 6 (*a*) gives statutory authority for an existing arrangement entered into between the Income-tax Department and persons with small incomes from interest on securities.

Clause 6 (*b*).—The amendment will empower the Income-tax Officer to require deduction of tax at source when that is payable by an assessee who is liable to super-tax from interest payments other than "Interest on Securities." Compare sub-sections (2) and (3) of section 57 of the Act.

Sub-clauses (*c*), (*d*) *and* (*e*) make consequential amendments.

Clause 7.—The amendment requires a person making payments of interest above a prescribed minimum amount to any persons in respect of deposits held for six months or more to furnish an annual statement of such payments. Compare section 19A of the Act. See also clauses 19 and 20.

Clause 8 *and clause* 15 (*b*) (*i*).—These amendments extend to minors who have been admitted to the benefits of partnership in a registered firm the benefits at present enjoyed by members of such firms.

Clause 9.—The new section 24A is aimed primarily at enabling assessments to be made at once on the income of persons from whom it may be difficult to recover income-tax and super-tax after they have left the country, such as for example members of a touring theatrical company. It will also enable refunds or adjustments to be made earlier than could otherwise be done in the case of persons leaving the country.

The new section 24B supplies a lacuna in the Act which at present fails to provide either for assessment or the giving of refunds in respect of the income of persons deceased.

These sections should be read with section 49B inserted by clause 17 of the Bill.

Clauses 10 *and* 11.—These amendments give to an assessee a right of appeal not now granted by the Act against an order refusing to register a firm under section 26A.

Clause 12.—The amendment brings section 32 into harmony with other provisions of the Act relating to similar matters, e.g., sections 33A, 66 (2) and 66 (3), and has the effect of extending the time within which an appeal may be made.

Clause 13.—This amendment empowers the Income-tax Officer to require certain information which he is not at present enabled to obtain.

Clause 14.—This amendment confers upon Collectors generally a power which they already possess in most provinces but not in all.

Clauses 15 *to* 17.—The provisions of the Act relating to refunds are at present defective in many respects. At present specific provision for refunds is made where tax has been recovered by deduction at source at too high a rate, and adjustments in the course of assessment are not provided for. It has also been held that the present Act does not authorize a refund to a person (*a*) whose income is below the taxable limit or (*b*) who has no income directly taxable in India, but who may have suffered tax by deduction at source. The amendments to section 48 are aimed at remedying these defects in the case of persons to whom the rate of tax applicable is *nil*, or who are admitted to the benefits of partnership in a registered firm but are not partners. The new section 48A gives a general power to make refunds, whether during assessment or other proceedings under the Act, or on appeal; while the new section 49A gives a general power to make adjustments where a refund is admissible. New section 49B provides for the extension of the right to receive or claim refunds to the representative of an assessee who is himself disabled from receiving or claiming the refund.

Clause 18.—The amendment provides a right of appeal not at present bestowed by the Act against a refusal to make a refund and against an order allowing a refund of less than the amount claimed.

Clauses 19 *and* 20.—These amendments are consequential on clause 7.

Clause 21.—This amendment is designed to remove the obstacle to divulging the imposition of penalties for concealment of income or for misrepresentation regarding income, and to divulging the fact that an offence liable to prosecution has been compounded. It also resolves the conflict that at present exists between the provisions of the Act, and those of the Indian Stamp Act, 1899.

Clause 22.—In the interpretation of Chapter IXA of the Act some difficulty has been experienced in deciding the applicability of the provisions relating to income-tax to the charge assessment and recovery of super-tax. It has been considered expedient to include these provisions specifically among the portions of the Act declared in section 58 not to be applicable to super-tax.

Clause 23.—Difficulty has been experienced in interpreting section 58G, read with sections 58F and 58E. The amendments made by this clause and clause 22 are aimed at making it clear that contributions to a recognized provident fund are liable to super-tax from year to year though exempt to the extent specified in section 58F from income-tax, and to ensure that super-tax shall not be levied a second time when an accumulated balance is paid to the contributor.

Clause 24.—The amendment provides a power to grant relief in a case of hardship which it has been held is not covered by the section as it stands.

Clause 25.—This amendment provides—

(*i*) a right not now given to claim a reference to the High Court on a point of law arising out of an order passed by the Commissioner in revision ;

(*ii*) a right to a refund of the deposit-fee if the Commissioner refuses to state a case to the High Court ;

(*iii*) that the High Court has power to require a case to be stated by the Commissioner where the application for a reference to the High Court has been rejected as being barred by limitation.

Copy of letter No. 2348/179, *dated the 5th December* 1932, *from the Association to the Secretary to the Government of Bombay, Finance Department.*

Subject :—THE INDIAN INCOME-TAX (SECOND AMENDMENT) BILL, 1932.

I am directed to acknowledge the receipt of your letter No. 1988/F, dated the 27th ultimo, requesting my Committee to express an opinion on the provisions of the Indian Income-tax (Second Amendment) Bill, 1932. My Committee have carefully considered the Bill, and have the undermentioned suggestions to make thereon :—

Clause 2.—While my Committee have no criticism to offer in regard to the amendments proposed by this clause, they desire to suggest the incorporation of a further amendment which would operate to prevent any income-tax authority from adjudicating in appeal on a decision given by him in some other capacity. The attention of my Committee was recently drawn to a case in which the Income-tax Officer who fixed the original assessment also heard the appeal against the assessment, owing to his having, in the meantime, been promoted to the office of the Assistant Commissioner of Income-tax. This, my Committee submit, is so contrary to natural justice that one would have expected the officer concerned to request the Commissioner of Income-tax to transfer the case from his files. It would appear that this course of action was not taken since he insisted on hearing the appeal. The Association is, therefore, constrained to suggest an amendment of the Act which would prevent the same person from fixing an assessment and later on hearing an appeal against that assessment.

Clause 6 (*Amendments* 3*A and* 3*B*).—According to the Statement of Objects and Reasons appended to the Bill, this amendment " will empower the Income-tax Officer to require deduction of tax at source when that is payable by an assessee who is liable to super-tax from interest payments other than interest on securities." This, however, does not appear to be a full statement of the case ; as a matter of fact what is stated applies only to amendment 3A. Amendment 3B would appear to go even further and throws the onus of deciding whether the recipient of interest is liable to the tax, upon the party responsible for the payment of interest, or in other words, transfers a duty of the Income-tax authorities

to certain members of the tax-paying public. This seems to my Committee wholly inequitable. My Committee consider that for the present, at any rate, the authorities should be content with amendment 3A. If anything escapes the vigilance of an organization, specially built up to collect every rupee of tax, it would, in their opinion, be unfair to make a person paying interest liable under amendment 3B, on the ground that he ought to have detected the omission. The implications of amendment 3B are dealt with more fully in the following paragraph.

Clause 7.—This clause introduces a new section—Section 20A—which, in the opinion of my Committee, constitutes the introduction of a principle hitherto unknown to the Indian Income-tax Law. This section requires that the person responsible for paying any interest not being "interest on securities," shall on or before the 15th June in each year furnish to the prescribed officer a return in the prescribed form and verified in the prescribed manner, of the names and addresses of all persons to whom during the previous year he has paid in respect of money already held in deposit for a period of not less than 6 months, interest or aggregate interest exceeding such amount as may be prescribed in that behalf together with the amount paid to each person. In other words, the Bill seeks to legalise the procedure which has already been followed by the Income-tax Officers of Bombay and elsewhere, apparently without warrant. The adoption of this clause and also of amendment 3B would in fact render interest, other than interest on securities, liable to income-tax and super-tax deduction at source, and would have far-reaching consequences on Indian banking and private money-lending business which thrive on private deposits. Apart from the fact that these institutions would have, if the proposed Bill was passed into law, to maintain special staff for the purpose, their business would also suffer a serious setback. Deposits will not be so readily available, and even if they were, each depositor would probably attempt to avoid deduction of super-tax at source by keeping his deposits with any single banker below a figure, the interest on which is below the minimum chargeable to super-tax.

Once a depositor learnt that his income from this source would be liable to income-tax and super-tax deduction at source, it is logical to assume that he would try to avoid that tax altogether, and since it would not be possible for him to do so in British India, he would naturally turn to the Indian States, as a field for investment because, for the moment, at any rate, the assessing machinery has not reached the state of perfection it has in British India. Amendment 3B requires a person paying interest to a depositor resident outside British India, say in a Native State, to deduct income-tax and super-tax at source. A result to be expected from this amendment is that residents in Indian States would naturally prefer to invest in their own banks rather than pay income-tax and super-tax in British India. Taking sub-section 3B and section 20A together, the former inducing the flight of capital from British India to Native States, and the other inducing the retention in Native States of capital now available for investment in British India, the combined effect of the two provisions might possibly denude trade and industries in British India of a large amount of capital now available from Native States and from abroad.

Another point which my Committee would like to urge in connection with clause 7 is that the British Income-tax Law, which remains the model on which the Indian Law is based, does not, so far as my Committee are aware, contain any such provision. If, however, on a consideration of all the points urged in favour of its deletion, Government decide to proceed with clause 7, then, my Committee submit, that the minimum period should in no case be less than one year.

Clause 23.—My Committee have carefully considered this clause, but the exception from exemption in the sub-section is difficult to understand. If, however, what the Bill seeks to do is to include annual accretions in the total income of the assessee for purposes of assessment to income-tax and super-tax from year to year and exempt the accumulated balance from super-tax, and legalise this procedure from the date on which the Income-tax Amendment (Provident Fund Relief) Act came into force, the sub-section does not appear to have been very happily drafted.

APPENDIX 34.

INDIAN INCOME-TAX SECOND AMENDMENT BILL OF 1931.

TAXATION OF INCOMES EARNED ABROAD.

GOVERNMENT OF INDIA.

LEGISLATIVE ASSEMBLY DEPARTMENT.

The following Bill was introduced in the Legislative Assembly on the 5th September 1932.

L. A. BILL No. 33 OF 1932.

A Bill to amend the Indian Income-tax Act, 1922, for certain purposes.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922, for the purpose hereinafter appearing : It is hereby enacted as follows :

1. (1) This Act may be called the Indian Income-tax (Amendment) Act, 1932.

(2) It shall come into force on the 1st day of April 1933.

2. In sub-section (2) of section 4 of the Indian Income-tax Act, 1922 :—

(*a*) after the words " Profits and gains " the words " of a business " shall be omitted ; and

(*b*) the words " provided that they are so received or brought in within three years of the end of the year in which they accrued or arose " shall be omitted.

STATEMENT OF OBJECTS AND REASONS.

Under section 4 (2) of the Indian Income-tax Act, 1922 (XI of 1922), income derived from sources abroad by a resident in British India is liable to income-tax in British India only if (*a*) it is derived from *business*, and (*b*) it is received in or brought into British India within three years from the end of the year within which it accrued, arose or was received abroad.

2. There seems to be no logical ground for not treating other classes of foreign income of a resident in British India (for example, income from investments abroad) on the same footing as income from business, not does there seem to be any valid reason why foreign income should not be liable to tax *whenever* it is received in or brought into British India.

SIMLA, *the 16th June* 1932. A. A. L. PARSONS.

APPENDIX 35.

INDIAN INCOME-TAX AMENDMENT BILL: ESTABLISHMENT OF TRIBUNALS TO CONTROL ASSESSMENTS, ETC.

Copy of letter No. 1988-F, dated the 18th October 1932, from the Deputy Secretary to the Government of Bombay, Finance Department, to the Association.

Subject :—INDIAN INCOME-TAX ACT : AMENDMENT.

I am directed to forward a copy of Government Resolution No. 1988, dated 18th October 1932, with two spare copies of its accompaniments and to request the favour of the opinion of your Association on the subject as early as possible and in any case *before the 1st December* 1932 *at the latest.*

Letter from the Government of India, Legislative Assembly Department, No. F/122-III/31-A, dated the 5th October 1932, to the Government of Bombay.

" With reference to the Debates of the Legislative Assembly of the 20th September 1932, I am directed to forward herewith copies of the papers noted below and to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

" 1. Bill as introduced with Statement of Objects and Reasons.

" 2. Extract from Legislative Assembly Debates dated 20th September 1932, regarding the Bill.

" 2. I am also to request that the Bill and Statement may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

" 3. The reply to this letter should be sent in duplicate by the 2nd January 1933."

A Bill further to amend the Indian Income-tax Act, 1922.

WHEREAS it is expedient further to amend the Indian Income-tax Act, 1922; It is hereby enacted as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Indian Income-tax (Amendment) Act, 193 .

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas, and applies also, within the dominions of Princes and Chiefs in India in alliance with His Majesty, to British subjects in those dominions who are in the service of the Government of India or of a local authority established in the exercise of the powers of the Governor-General in Council in that behalf, and to all other servants of His Majesty in those dominions.

(3) It shall come into force at once.

2. *Amendment of section 5, Act XI of* 1932.—In section 5 of the Indian Income-tax Act, 1922 (hereinafter referred to as the said Act), the following sub-sections shall be inserted, namely:—

" (7) There shall be constituted for each district or division or a specified area as the case may be a tribunal to control the assessment of income-tax, to hear all appeals against such assessment, and generally to execute the Act.

(8) Such tribunal shall comprise a judicial officer not below the rank of District Judge, a member of the legal profession of not less than 10 years' standing appointed on the nomination of the District Bar Association, and where a High Court exists upon the nomination of the High Court Bar Association and a member of the District Council or Municipal Committee appointed at a joint meeting of those bodies.

(9) Such tribunal shall decide all questions by a majority provided that it shall be competent to the tribunal or the majority of its members to refer any question for decision of the High Court.

(10) For the purpose of deciding any question referred to it for decision it shall be competent to co-opt any person specially conversant with the subject. Upon such co-option the person so co-opted shall become a member of the Court for the purpose of deciding the question referred to it of which it may take upon itself to decide."

3. *Amendment of section* 23, *Act XI of* 1922.—In section 23 of the said Act,—

(*i*) in sub-section (1), after the words " If the Income-tax Officer " the words " with the concurrence of three or more assessors " shall be inserted ;

(*ii*) in sub-section (2), after the words " If the Income-tax Officer " the words " with the concurrence of three or more assessors " shall be inserted, and

(*iii*) in sub-section (3), after the words " Income-tax Officer," where they first occur, the words " in the presence of three or more assessors if the assessee so desires " shall be inserted.

4. *Amendment of section* 30, *Act XI of* 1922.—In section 30 of the said Act, for the words " Assistant Commissioner," wherever they occur, the words " Income-tax Tribunal " shall be substituted.

5. *Amendment of section* 31, *Act XI of* 1922.—In section 31 of the said Act, for the words " Assistant Commissioner," wherever they occur, the words " Income-tax Tribunal " shall be substituted.

6. *Amendment of section* 32, *Act XI of* 1922.—In section 32 of the said Act,—

(1) in sub-section (1),—

(*a*) for the words " an Assistant Commissioner " the words " the Income-tax Tribunal " shall be substituted ; and

(*b*) for the word "Commissioner" the words " High Court " shall be substituted;

(2) in sub-section (3), for the word " Commissioner " the words " High Court " shall be substituted.

7. *Amendment of section* 33, *Act XI of* 1922.—In section 33 of the said Act, for the word " Commissioner," wherever it occurs, the words " High Court " shall be substituted.

8. *Amendment of section* 37, *Act XI of* 1922.—In section 37 of the said Act, for the words " Assistant Commissioner and Commissioner " the words " Income-tax Tribunal both General and Special and the High Court " shall be substituted.

9. *Amendment of section* 66, *Act XI of* 1922.—In sub-section (2) of section 66 of the said Act, for the words " one hundred rupees " the words " fifteen rupees " shall be substituted.

STATEMENT OF OBJECTS AND REASONS.

(1) The Income-tax Act was for the first time enacted in 1886, when it was said that a sum of about a crore of rupees was required owing to the deficit Budget created by the unusual outlay on the Burmese War and the sudden depreciation of silver. The tax was intended to be a temporary one. But it has since remained and now realises over twenty times that amount. Similarly, the super-tax levied as a war measure has been made permanent. But the procedure for the levy of both is antiquated and summary and places an undue power in the hands of the assessing authorities who have been given the final right of hearing the so-called appeal of the assessee.

(2) Income and super-tax is more appropriate to creditor countries and to those in which commercial and industrial enterprise has led to the accumulation of capital from which the State may justly claim a share. But in a country primarily agricultural in which capital is naturally shy, and commercial and industrial enterprise comparatively recent and in a state ofinfancy, the State should be loth to tax, at least over-tax the circulation of capital, but this is now possibly a counsel of perfection.

(3) The intention of this Bill is therefore, merely to remove the most glaring of defects in the method of assessment and its control leaving a future reformed rectifying the obvious wrong of a double super-tax and other anomalies from which the payers of income-tax suffer.

(4) For the present it is intended to bring the assessors under some popular and judicial control and partially redress the just major grievances of the assessees.

It is hoped that the Bill will receive general support and in some measure ameliorate the harshness and rigour of a taxing measure whose unpopularity has been pronouncedly increased by the mode and manner of its administration.

NOTES ON CLAUSES.

Clause 2.—In England the collecting agency is an independent body of patriotic citizens who levy the tax and hear appeals from the assessor's valuation and are generally entrusted with the administration of the Act ; the result being that the tax, odious though it is, does not gain in its odiousness by its administration by the very persons interested in its collection.

(2) Under S. 57 of the English Tax Act, 1918, now in force the income-tax is levied by the commissioners of Inland Revenue whose number ordinarily varies from 3 to 7 (S. 59) but which may be increased to 14 (*Ib.*, S. 59). They are appointed for specified cities or divisions and possess the sole power to assess, collect and levy the income-tax (*Ib.*, S. 64) and hear appeals against assessment (*Ib.*, S. 133). Such commissioners are generally drawn from well-to-do classes. For special cases special commissioners are appointed and they possess the same right as general commissioners (*Ib.*, S. 67).

The general commissioners appoint assessors for one year (*Ib.*, S. 76), and the collector of taxes (*Ib.* S. 80).

(3) If the English procedure were followed the whole Act would have to be recast. It is not the intention of the present Act to do more than introduce an element of impartiality in the assessment of income-tax by providing that the assessor shall act with the concurrence of three or more assessors and that all appeals against his assessment shall lie to a court unconnected with the assessing department. This is the barest justice to the assessee who is entitled to much more and not anything else.

(4) The English law allows three appeals against an assessment—*first*, to the special commissioners, *secondly*, to the Recorder or *County Court* Judge and *thirdly*, to the High Court (SS. 147-149). Under the Bill if passed provision is made only for a single appeal, but the High Court has been given the general power of revision which it possesses in all civil and criminal cases. In England the appeals lie to special commissioners. The Bill embodies the general spirit of the English Act though it does not adopt its machinery.

H. S. GOUR.

Extract from the Legislative Assembly Debates, Vol. V, No. 1.

The Assembly met in the Assembly Chamber, Simla, on Tuesday, the 20th September, 1932.

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THE INDIAN INCOME-TAX (AMENDMENT) BILL.

SIR HARI SINGH GOUR (Central Provinces Hindi Divisions : Non-Muhammadan) : Sir, I beg to move :

" That the Bill further to amend the Indian Income-tax Act, 1922, be referred to a Select Committee consisting of Mr. R. K. Shanmukham Chetty, Raja Bahadur G. Krishnamachariar, Mr. T. N. Ramakrishna Reddi, Mr. B. Sitaramaraju, Khan Bahadur H. M. Wilayatullah, Kunwar Hajee Ismail Ali Khan, Lala Hari Raj Swarup, Rao Bahadur S. R. Pandit, Mr. B. R. Puri, Mr. Jagan Nath Aggarwal, Sir Lancelot Graham, Mr. R. T. H. Mackenzie, and the Mover, with instructions to report on or before the 31st December, 1932, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Honourable Members will see from the number of signatures appended to this Bill, numbering no less than fifty-four, what importance is attached to this Bill ; and when I shall briefly state to Honourable Members the urgent, nay the imperative necessity of a change in the law affecting income-tax, I do not think there will be one dissentient voice against my motion or the substance of it. Honourable Members will remember that the income-tax enactment, then called the " License Tax Act," was first introduced into this country in 1886, and the reason given for this License Tax Act was that there was a deficit in the Budget consequent upon the Burmese War and the sudden fall in the price of silver. A very small increase in the current revenue was demanded by Sir Auckland Colvin who moved the introduction of the Bill. Honourable Members will further remember that from that date down to 1916, income-tax was a small impost, and consequently the skeleton procedure provided for its levy gave summary jurisdiction to the Collectors and the Deputy Commissioners, on a summary inquiry, to impose and levy it. In 1916, there was a proposal to suddenly increase the tax, and there was, Sir, an illuminating discussion of the Income-tax Amendment Bill ; and I find, Sir, from the proceedings of the late Imperial Legislative Council that you as a representative of the people took an honourable share in resisting this impost. Nevertheless, as you rightly then pointed out, that your voice was merely advisory, you had no decisive vote in the matter. The result was that in spite of the protest the income-tax was increased on an understanding that it was to be a war measure and a super-tax was further added on on the ground that the war necessitated that measure. In 1922, on the coming into force of the Reforms, the Income-tax Act was consolidated ; but it was consolidated on the old ground, namely, that the executive were to continue to be armed with plenary powers both as regards assessment and also the right of hearing appeals. But a small provision was added which gave the High Court jurisdiction to go into questions of law either upon the cases stated by the Income-tax Commissioner or upon the writ of *mandamus* issued by them. Such was the state of the law down to 1931. Honourable Members will find that during this period of nearly ten years under the reformed constitution, the Government of India have been adding by supplementary and amending Bills to the provisions of the Income-tax Act tightening the law so far as the assessee was concerned, but giving him no relief against improper, unjust or oppressive assessment. Nevertheless, down to 1931, the High Courts of India had held that if an assessment was unreasonably high, it was a question of law and that the High Court had jurisdiction to interfere. In 1931, five Judges of the Rangoon High Court reviewed the whole case-law on the subject and came to the startling conclusion that if an assessment is made by the Income-tax officer upon no grounds whatever, however arbitrarily and without any evidence, it was not a question of law upon which the High Court could interfere, and that Court and the other High Courts have further gone to the length of holding that if the Income-tax officer demands of an assessee a document or thing which he declares he has not got and is therefore unable to produce, however just, however reasonable might be his excuse for not producing it, however inconsequential might be the document which the Income-tax officer's curiosity wants to see, still the Income-tax officer can say : You have not produced the document which I wanted you to produce, and I therefore proceed to assess you *ex parte*. Although he assesses *ex parte*, as I have pointed out, unreasonably and arbitrarily and in an oppressive manner, still the assessee has got no right of appeal and he has got no right of going to the High Court and to complain that he has been unjustly treated and the decision of the Income-tax officer is wrong in law. Honourable Members will ask me : Could such a startling view of the law exist in this country ? I shall read to you, Sir, the language of the five Judges of the Rangoon High Court as to what they conceive to be the law and I shall also draw your attention to the strong recommendation which they have made to the Government of India

that that law should be altered. In Indian Law Reports 9, Rangoon, at pages 292 and 293 (the case begins at page 281) occur the following passages. The Chief Justice Page delivering judgment of the Court says :

" In England the persons entrusted with the duty of making assessments to income-tax, generally speaking, are non-official laymen appointed as Commissioners in that behalf for divisions and areas in respect of which they have special knowledge of the local conditions. The decision of the Commissioners on questions of fact is conclusive *if there is any evidence upon which it could be based ;* but in respect of every assessment an appeal lies to the High Court by way of case stated if it is alleged that the determination of the Commissioners is ' erroneous in point of law ' ; even in cases in which by reason of default on the part of the assessee an estimated assessment has been made. In India, as in England, the persons upon whom is cast the duty of making assessments to income-tax are laymen ; but, whereas in England such persons normally are non-officials, in India the income-tax authorities are, or consist of, Government officials and the only remedy open to an assessee who is aggrieved by an assessment made upon him is to seek redress, by way of appeal or review as the case may be, from one official of the Income-tax Department of Government to another. (*Mark these words.*) It cannot be doubted, I apprehend, that the English system, if feasible, is far more satisfactory, and would be regarded by the general public as a more equitable method of assessment than that obtaining in this country. But whether it would be practicable or expedient in India or in Burma to substitute for officials a body of non-official laymen as the taxing authority is a matter of policy with which the Courts are not concerned, and in respect of which I am not in a position to express an opinion although the creation of a Board of Referees in 1930 is not without significance in this connection. There can be no doubt, however, that the fact that the Income-tax Department in India and Burma is ' a judge in its own cause ' has at times and among certain sections of the general public caused uneasiness, and anxiety is felt lest the possession of such autocratic powers by officials of a Government Department may sometimes result in injustice or hardship being done to those upon whom assessments are made."

Honourable Members will see that these are strong words spoken not by politicians but by Judges sitting in judgment in an income-tax case in which they expressed their helplessness to assist the assessee in case of arbitrary and oppressive assessment. The other High Courts of India, for example, the Lahore, Patna and Calcutta High Courts, have equally pointed out that the income-tax law, in so far as it is worded, is too rigorous for the assessee to obtain that even-handed justice to which he is entitled. The five Judges of the Rangoon High Court, at the bottom of that very page, have pointed out that the injustice is so great that many of the Judges have taken upon themselves to review and revise the assessments, holding that arbitrary assessments are matters of law. But the Judges say that that is not in accordance with the true view which they laid down in the case to which I have referred. Honourable Members will thus find that the income-tax law, as it is administered in this country, has become an impossibility so far as redress to the assessee is concerned, and that the arbitrary and autocratic power, to use the language of the Chief Justice of the Rangoon High Court, which the income-tax authorities possess, admits of no redress at the hands of any judicial tribunal.

Let me very briefly point out to Honourable Members that the section dealing with assessment is section 23 of the Income-tax Act and under that it is provided that if the Income-tax officer demands a return and a return is made and after that the Income-tax officer wants a further document to be produced before him and the assessee complains that he has no such document in existence, and therefore cannot produce it, he is nevertheless entitled to make an assessment to the best of his judgment. The language of section 23 (4) will bear a recital, it says—and I leave out the unnecessary words :

" If any person fails to make a return under sub-section (1) or sub-section (2) of section 22, as the case may be, or fails to comply with all the terms of notice issued under sub-section (4) of the same section, or,"

—Honourable Members will please mark these words—

> " or having made a return fails to comply with all the terms of the notice issued under sub-section (2) of this section, the income-tax officer shall make the assessment to the best of his judgment."

The High Courts in India have been for a very long time divided upon the meaning of the words, " having made a return " and the ultimate provision " that the assessment shall be made to the best of his judgment." It has been held by one set of Courts that where the assessee has produced all the accounts and the Income-tax officer still demands a document which the assessee is either unable to produce or which has not the slightest bearing upon his income, that would not enable the Income-tax officer to proceed *ex parte* and to assess him under the provisions of this clause. The other High Courts have held that the man cannot be said to have made a return unless he produces all the documents which the Income-tax officer calls for and whether these documents are rightly withheld or not is not a question of law into which the Income-tax officer, as the sole and final judge, can go. Now, Sir, that is the first point of grievance that the assessee has. The second point and a still more important point is that having once decided that the assessee has failed to produce the document called for as enjoined by clause 4, the Income-tax officer has to make the assessment " to the best of his judgment." Now, what is the meaning of these words " to the best of his judgment " ? The Lahore High Court, the Patna High Court and the Rangoon High Court in full bench cases, and the Calcutta High Court and all the other High Courts have, down to last year, held that the function which the Income-tax officer performs is of a *quasi*-judicial character and the words " to the best of his judgment " mean that there must be some evidence upon which he can make an estimate, it does not matter whether that estimate is right or wrong, but there must be some evidence to support his assessment. That was the view taken down to last year, but in the case that I have cited the five Judges of the Rangoon High Court have overruled all their previous full bench cases and held that it is not for the High Court to decide or to enquire into whether there was any evidence upon which the Income-tax officer has made the assessment. It may be arbitrary, it may be excessive, or it may be, as my Honourable friend, Raja Bahadur says, autocratic and oppressive, but nevertheless the High Court is powerless to interfere and it is with reference to this powerlessness of the judicial authority that that statement from which I cited was made by the five Judges that there must be a change of law.

But, Sir, apart from the high authority of the High Court, apart from the powerlessness which the High Courts have confessed, we, as legislators, cannot be party to the perpetuation of this wrong committed upon the income-tax paying public. (Hear, hear.) Questions after questions have been asked on the floor of this House, as to whether the assessee should not get redress in the matter of assessment by, at any rate, obtaining some relief from a judicial body or tribunal against executive act, and while the Finance Department and the Central Board of Revenue are day in and day out forging further weapons and producing them from their inexhaustible armoury for the purpose of stiffening the law, they have taken no notice of this long-felt public want to which expression has been given by one and all on this side of the House. The amendment of income-tax law may come to you in the matter of short Bills intended to deal with short *ad hoc* questions upon which the income-tax authorities and the Central Board of Revenue and the Finance Department would obtain the sanction of this House, but in fairness and in justice, I should have expected that when they find this great justice-denying loophole in the law, they would take the trouble to come to this House with an amending Bill and ask this House to redress a wrong from which the people have been suffering for such a long time.

But what have they done ? Even in the course of the present Session two Bills are held up before our eyes. The one that was on the agenda paper yesterday had the object of further tightenng up the law ; and if this Income-tax officer, whose assessment is arbitrary, oppressive, unjust and inequitable, imposes a penalty, they demand of this House to give them the power to publish to the wide world that this assessee has not only been assessed but penalised for having concealed his income. That is the purport or one of the purports of the Bill to which the Finance Member was going to ask your consent yesterday and it is again, I am sorry to say, down on the agenda for to-morrow.

Sir, we have often been told that these amending Bills are intended to bring the Indian law into line with English law, and let us therefore for one moment turn to the English law on the subject of income-tax. Honourable Members who have heard the passage which I read from the report of the Rangoon High Court case will have no difficulty in understanding that between the English law and the Indian law there is a great deal of contrast, but very little to compare. Under the English law the income-tax is levied by the representatives of the people and the income-tax officials are in the nature of supplicant or applicant for that income, the amount of which is determined by the Income-tax Commissioners. And against their decision there are at least three appeals, as I have pointed out in my notes on clauses. I do not propose to take this House through all the details of the English income-tax assessment laws, but in the Bill which I and my co-authors have sponsored we have two main objects in view. One is that over all assessments there must be some measure of popular control, and secondly, that against an assessment an appeal should lie to an authority unconnected with the assessment. These are the two cardinal principles upon which I ask for the concurrence of this House. And is there anyone in this House who can deny that these are bare facts of elementary justice upon which there cannot be two opinions ? Honourable Members will thus see that the Bill which I and my co-authors have sponsored is a Bill which gives to the assessee the elementary right of justice. We have not thought it necessary to give to the Indian assessee the same measure of protection which the English assessee enjoys in his own country. We have not given the assessee three appeals, we have given him only one. We have not provided for the assessment being made by commissioners or an appeal to be heard by special commissioners. We have provided a much simpler procedure, and if that procedure is open to objection we are quite prepared to consider any alternative change. But what we do insist upon is that there must be an immediate change in the processual law of income-tax assessment in this country. As it is, the hand of the clock has been put back by the recent decision to which I have adverted. Last year some protection was given to the assessee against unreasonable and arbitrary assessments in that he could either demand of the Income-tax Commissioner that his case should be stated to the High Court, and that failing, he could apply to the High Court for a *mandamus*. But the change in the interpretation of the law since the decision to which I have adverted has deprived the unfortunate assessee of even that meagre protection. I therefore submit that the least that Government can do is at any rate to restore the law by elucidating and clarifying the provisions of section 23 of the Income-tax Act by giving to the assessee some protection against arbitrary and oppressive assessment. That, I submit, is the least that Government should have done and can still do. Sir, I am quite aware of the number of objections that the Honourable the occupants of the Treasury Benches will trot out against my proposal. We shall be told that the procedure that we wish to recommend would entail a heavy cost upon the establishment. I beg to ask, was that cost incurred between 1886 and 1931 when the case-law was to the effect that against arbitrary and inequitable assessment the assessee had a right of appeal to the High Court on a writ of *mandamus* and that it was a question of law and not a question of fact ? That at any rate did not entail any extraordinary expenditure beyond Rs. 100 which the unfortunate assessee had to pay against 15 shillings which the assessee has to pay in England. I drew the attention of the Finance Department to this disparity between English and Indian law and I was told in that stereotyped and meaningless phrase that my representation was receiving the most careful attention of the Finance Department, with the inevitable result to which these most careful considerations always lead, namely, that the Government of India saw no reason to alter their views. That is the penalty which the assessee in this country has to pay.

One word more, and I have done. When we introduced this Bill we sought the good offices of the Finance Department and we said " this is a matter calling for urgent redress and the Government should by executive action elicit public opinion by circulating our Bill." But the Government said, " Oh, no: we are going to oppose your Bill and therefore we are not going even to collect opinions upon it." They further said that our Bill was ill-drafted. We are not expert draftsmen and we therefore solicited the combined good offices of the Law Department and the Finance Department ; and we said " Redraft our Bill ; put it into any shape you like before the Legislative Assembly ; but give us what we want. Safeguard these two conditions which are the main principles of the Bill." We were told that the Bill could not be

re-drafted, but that it would be set right in the Select Committee. It is for that reason that I have tabled this motion for the reference of my Bill to the Select Committee. Let me add one more word.

One of my Honourable friends, I believe with the concurrence of Government, has tabled an amendment for the circulation of the Bill for the purpose of eliciting opinions thereon by the 2nd January, 1933. Neither I nor my colleagues wish to burke an inquiry into this momentous question as to the manner in which income-tax must be collected ; but what we did want is that if the Bill went to Select Committee and the drafting of the Bill was set right in that committee, I should have been the first to ask the Select Committee to republish the Bill so that the revised draft of the Bill may be before the public for the purpose of obtaining their opinions. But if the Government feel that they will be going too far in accepting my motion for reference to Select Committee, I for one would not hesitate to accept their offer and send my small Bill for the purpose of obtaining public opinions thereon. But I hope that in their covering letter the Government will have the fairness to state that I and my colleagues do not stand by every clause and by every word in the Bill, which requires redrafting, but that we do insist upon the safeguarding of two main principles, namely, that all assessments must be subject to some measure of popular control and that all assessments must be subject to appeal before a tribunal unconnected with the assessment. Sir, I move.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): Motion moved:

> "That the Bill further to amend the Indian Income-tax Act, 1922, be referred to a Select Committee consisting of Mr. R. K. Shanmukham Chetty, Raja Bahadur G. Krishnamachariar, Mr. T. N. Ramakrishna Reddi, Mr. B. Sitaramaraju, Khan Bahadur H. M. Wilayatullah, Kunwar Hajee Ismail Al Khan, Lala Hari Raj Swarup, Rao Bahadur S. R. Pandit, Mr. B. R. Puri, Mr. Jagan Nath Aggarwal, Sir Lancelot Graham, Mr. R. T. H. Mackenzie, and the Mover, with instructions to report on or before the 31st December, 1932, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

MR. R. T. H. MACKENZIE (Nominated Non-Official): Sir, I beg to move as an amendment:

> "That the Bill be circulated for the purpose of eliciting public opinion thereon by the 2nd January, 1933."

Sir, I am no lawyer, as it is evident to the veriest novice in the House, like myself, that the Honourable the Mover is: I do not therefore propose to join issue with him in the various technical legal points that he has raised in the course of his speech. But in moving this amendment I do so mainly for the reason that the Honourable the Mover in introducing the Bill on the 18th February of this year said that he was aware that it was defective in drafting. This shows that he, and presumably his 53 supporters, were not satisfied with it. How much more, therefore, is it likely that the other Honourable Members will not be satisfied with it as it stands ?

The Honourable the Mover has stated in his speech just now that for that reason he will be the first person to make this point with the Select Committee if it is referred to one. My own opinion is that it would be better if the opinions of the general public were available in the Select Committee, should the Bill at some future date be referred to one.

I do not propose to go into the matter in any great detail here, as I feel, for the reason already stated, that there is not likely to be much, if any, opposition to this amendment. I would, however, just like to draw the attention of Honourable Members to a few points which seem to me to require the further consideration which they will receive if the Bill is circulated for public opinion.

First of all, as regards the actual drafting, I think that the clause which calls for special comment is section 2, sub-section (8), giving the composition of the proposed tribunal. There is no indication therein as to how the first member of the tribunal is to be appointed, whether

by election or by nomination and, if so, by whom. Nothing is stated as to whether the tribunal is to be paid or whether it is to be permanent or only to last for a specified period. These are all points which I think it will be agreed are of the utmost importance and should be clearly laid down in the Bill.

Another point which occurs to me as being of considerable importance is whether communal considerations are to enter the appointments in question.

To revert to what I said just now as to whether the members of the tribunal are to be paid or not, I presume that the intention is that they should be, and paid well, as I cannot visualise for instance "a member of the legal profession of at least 10 years' standing" being prepared to serve on such a tribunal unless this were so. Moreover, I do not think any one could blame him, if he did refuse to do so. At the same time I think that the remuneration should be specified.

Now, to turn to the question of whether the procedure under the proposed Bill would in any way be preferable to the existing procedure under the Act: I understand that, as matters stand at present, an Income-tax officer in this country decides about 1,200 assessments a year, of which a large number are done on tour after examining accounts. Appeals may then be made from the Income-tax officer's assessment to the Assistant Commissioner, and, if the assessee is still not satisfied, to the Commissioner. It is now proposed, I understand, to give the taxpayer a right of appeal on all questions of fact or law to the tribunal: and from the tribunal to the High Court—also on questions of law or fact. It seems to me that the probable result of this would be either that no tax would be collected at all, or, if it were, the cost of doing so would almost certainly be more than it was worth. In any case I doubt very much whether a tribunal of the composition proposed is likely to be any more reliable than the Income-tax Commissioner.

As an alternative it has been suggested that a more suitable tribunal would be one composed on the lines of the Board of Referees mentioned in section 33A, sub-section (6), of the Act. I am of opinion, however, that appeals to such a Board would be few and far between owing to the natural dislike of assessees to disclosing their affairs to people outside the Income-tax Department who may in practice be their competitors in business.

There are other moot points which occur to me, such as the comparison between the tribunal now proposed and the General Commissioners in England, but I do not propose to go into these at the present moment, as I feel that it will be manifest to the House from the few points that I have mentioned that there must be many others in connection with this Bill, which require further consideration and expression of opinion. I therefore hope, Sir, that my amendment that the Bill be circulated for the expression of public opinion will receive the fullest support of all parties in the House.

RAJA BAHADUR G. KRISHNAMACHARIAR (Tanjore *cum* Trichinopoly: Non-Muhammadan Rural): Sir, ever since I came to this House I have not been able to see eye to eye with my friend, Sir Hari Singh Gour, and so I congratulate myself that on this occasion, which is the first occasion, that I whole-heartedly support his motion. Sir, this is a Bill which was long overdue, and I speak as one who had come under the heavy heel of the Income-tax officer, —I have only just come out after five long years,—between section 23, clause (4) and section 22, clause (2) and all the rest of the clauses put together. After the latest amendment to the Income-tax Act, they have introduced a separate Department directly under the Government of India under which are appointed officers known as Income-tax officers, Assistant Commissioners and Commissioners of Income-tax, and on the top of them all the High Courts which have now pleaded their helplessness to give us redress. Now, the Income-tax officer issues a notice. He is obsessed so much with his own importance, because he is in charge of the whole district, that he can call upon any and everybody to appear before him. Now, if you do not appear before him,—the Act says you cannot compel an assessee to appear before him,—but out of sheer cussedness he would insist upon a man to appear before him by a certain time, and if this poor man fails to appear before the Income-tax officer, then early next morning he gets a notice under section 23, clause 2. In that notice, Sir, all sorts of things imaginable are mentioned, and if the House will pardon me for mentioning a personal matter,

I should like to mention it, because I think the House ought to be in possession of it and that is why I support this Bill very strongly. One quarter of a sheet, a whole page of typed matter I had to produce including my pass books, bank books, outside and inside India, account books relating to business done in 8 Indian States in British India, all my agricultural accounts and all my money-lending transactions, though I have none (Laughter)—because where is the money to come from ? I had to produce all these things before this Income-tax officer, because he acted in a revengeful spirit. I produced what I had. I have no transactions outside India and I told him that I could not produce my pass books or account books relating to transactions outside India. "No," said the Income-tax officer, "your income is Rs. 50,000, and I tax you with Rs. 4,000." And this Rs. 4,000 to be paid in one week ! I asked for time, and no time was given. I went to the Assistant Commissioner of Income-tax. He has no power under the Act and he says go to the Commissioner, and by the time the case is heard the time given expires, and the Income-tax officer imposes penalties which he may up to the amount taxed. In these circumstances what am I to do ? I have already paid Rs. 12,000 by way of land revenue, and here the Income-tax officer comes behind me and asks for Rs. 4,000 *plus* penalty for every day that I have not produced the money. That is the way we go on for months and months together. We have to appear in person, not once, twice or thrice, but as many times as the Income-tax officer would want us to. He has one camp here to-day and to-morrow he has another at some other place. Fortunately I am away from my place, but my poor vakil goes from place to place along with this Income-tax officer. Eventually this great Income-tax officer comes to the conclusion that the tax assessed is perfectly correct and just. Now, I go to the Assistant Commissioner, this gentleman is in charge of three or four districts, and the House can easily imagine the agony to which the assessees are put in having to go from place to place, and after he pretends to listen to your arguments—I say deliberately—he pretends to listen to your arguments, he delivers his judgment. And what is that judgment ? It is already cut and dried. He gives his judgment in two minutes' time. Sir, I have had some experience of judicial work, some experience in writing judgments, and I feel that if I had the versatility of these Assistant Commissioners of Income-tax to write up judgments directly they hear the arguments, I would probably have been more successful in the Judicial Department. But the House may take it that the gentleman is quite ready with his decisions. Now, what should I do ? There is no appeal to the Commissioner of Income-tax. There is a section which says 'power to review.' Review really means revision. They have not had even the learning to use the proper legal word for it—review means revision, and for revision one has to pay Rs. 100 as deposit and put forward one's ground, and then only the Commissioner of Income-tax will hear your case, and if you have to go to the High Court, you will have to do it, but my friend Sir Hari Singh Gour has pointed out the difficulties involved in going to the High Court. Such a state of things is absolutely intolerable to put up with. Sir, Government say that they are doing everything very sympathetically, and they are very very much surprised that people placed in the position described by me do not co-operate with them in these matters. Now, Sir, it is all very well for gentlemen who draw eight and ten thousands of rupees from the public exchequer, who go about in saloons, enjoying all the amenities of social and political life, it is all very well for these gentlemen to call upon me who is toiling and moiling in my field (Laughter) in the hope of getting something, to pay all this heavy tax. Now, when I am trying to get something out of my land, the merchant will not take my produce, and the tax-gatherer insists upon getting the dues from me, which I am not able to pay. So what does he do ? He goes to the Deputy Collector to whom a copy of this assessment order has been sent. The Deputy Collector dins into the ear of the village munsiff to go and attach my motor car if I do not pay the tax. I take my motor car and offer it to him, but he is so much afraid of it that he will not touch it even with a pair of tongs. That, Sir, is the position with regard to this income-tax collection. How can we have the patience, the tolerance to submit to all these things, and how can the Government in all fairness ask us to co-operate with them ? By all means take your money. There is nothing more left in the country. India has to be bled ; the lancet has to be applied. These are not my words, Sir. These are the words of the Prime Minister of England. Of course, to a certain extent we have got to pay the revenue. Even according to our ancient shastras the tax that a king demands has got to be paid, and we are quite prepared to pay it. But why in the name of collecting the tax, which you say you are entitled to, set behind us a whole host of men unscrupulous, without common sense whatsoever and trying to make as much money as possible from the helpless public. It is to remedy these

things that my friend has brought forward this Bill. Take as much money as you like. For instance, we have the Land Revenue Code. No Collector, no Board of Revenue, no Government can take out from us half a pie more than what is fixed in those rules. But what we would like is when you are going to entrust the whole Government into popular hands, first try this matter and put it into the hands of popular representatives. My Honourable friend over there says that if that is done, no tax will be collected and the representatives will be very tender to the people. I have not yet come across any tax that the Government has imposed which they have not been able to collect. Only the other day there was a question of the financial relations between the Indian States and the Government of India. When the Nizam transferred certain districts the revenue was supposed to be Rs. 71 lakhs, and there is a note by the Madras Government, "This amount was never collected." That is how they do in the Indian States, but no such note will ever appear under any heading of tax that the British Government imposes. Every pie of it, even though they have to spend Rs. 8 in sending letters of reminder—every pie of that tax is collected and collected mercilessly. But in doing so, why not you do it in a just manner ? Why not you do it in a manner that people will not feel the trouble, the annoyance, the autocracy and the injustice with which the taxes are collected ? Therefore, I most respectfully and humbly submit that this House will accept the two principles underlying the Bill, the first being the taxing authority, and the next being the appellate authority. In the olden days when the Rowlatt Act was passed there was a slogan current among the people of the Punjab, *Na Vakil, Na Dalil, Na Appeal.* That description would apply exactly to the existing system of income-tax—*Na Vakil, Na Dalil, Na Appeal.* Take away that objection also and provide against it. That is my very humble submission. (Cheers.)

MR. B. DAS (Orissa Division : Non-Muhammadan) : As I happen to be one of the foster-fathers of this Bill, I think I must join in the debate at this stage. I must congratulate my Honourable friend, Mr. Mackenzie, on his able maiden speech, but I wish he had consulted his colleagues on the European Group, and he would have found out the genesis of this Bill and what lies behind it. He would have found out from his friends of the European Group who are Members of this House for a long number of years —they would have told him that on various occasions Members of this House had brought to the notice of the Government that the method of assessment and the method of appeals that have been prescribed by the Income-tax Act do not meet with the approval of the country. I wish that he had consulted his friends on the European Group and would have ascertained how on points of income-tax his interest and those of Indians are one and how my capitalist friends on my left wanted to oppose a particular Bill along with the European Group when Government wanted to tax foreign investments. My Honourable friend wants that the Bill should be circulated. I do not mind its being circulated, but if my Honourable friend would only dive into the archives of the Finance Department, he would find the various Chambers of Commerce had, at different times, represented to the Government that the appeal tribunal should not be the Income-tax Commissioner but the High Court. My Honourable friend, Sir Alan Parsons, may not agree to that now, but he will have to, later on.

My Honourable friend says that the communal question is raised in the Bill and he wants the Bill to be circulated for opinion. I think we all pay Government money. Money is money, whether it is gold or silver. It is not Muslim money or European money or Hindu money. So I do not understand why my Honourable friend should raise the communal bogey. Probably he is thinking of going to the Round Table Conference and getting a seat there, and he is thinking of his old friend, Mr. Benthall, who raised the communal bogey in the Round Table Conference and read out a lesson to us. I want the Government to be fair, to be honest and to find out whether the grievances of the people are just or not. If the grievances are just, Government must redress them, and the various acts of omission and commission of the Income-tax Commissioners and officers that have been narrated so very interestingly by my esteemed friend, the Raja Bahadur,—they have been narrated very often on the floor of this House. These grievances exist, and so, what is the use of circulating this Bill ? In my ten years' experience of this Legislature, I have never found that the Government have consulted the public or the Chambers of Commerce, or even the Associated Chambers of Commerce which my Honourable friend represents here, as to what salary they should pay to these tribunals. My Honourable friend, as a business man, knows, when tribunals or

arbitration boards are set up in business matters, what daily rates are paid to them. If my Honourable friend complains that lawyers should not be appointed on these tribunals, he may make a suggestion that business men should be appointed on such tribunals, but that is a small issue. That does not apply to the principle of the Bill. I hope that some other Member from the European Group will rise later and support the principle of the Bill. I take it, if the Bill is changed drastically in the Select Committee, then it can be circulated, but at this stage the Bill, as drafted, meets with the wishes of the great mass of the people, and also meets with the wishes of the mercantile community in India.

MR. S. C. SEN (Bengal National Chamber of Commerce : Indian Commerce) : I support the Bill. I have some experience of income-tax matters in Calcutta and I fully agree with Sir Hari Singh Gour that the way in which assessments are made is really harsh and puts people to great hardship. I would not express my feeling too strongly, but I may say that there are vagaries, there is zoolum and also autocratic harshness in the assessments everywhere. (*Some Honourable Members :* "Hear, hear.") It is time that something should be done in the way of reform.

There are two points which have been urged in this case. One is that something like assessors who are non-officials should assess income-tax if the Income-tax officers do not do their duty properly according to the assessee or, in other words, assessment should be made by a non-official body. This principle has already been accepted by the Government of India in section 33A of the Income-tax Act. Why should they not introduce a similar provision so far as the ordinary assessments are concerned ? In section 33A, they have adopted that appeals should be filed with referees, one of whom should be a judicial officer and the others are ordinary laymen or merchants. The same principle can be adopted in the case of every assessment. There is no harm. If necessary, a limit can be fixed as regards the amount. As regards section 23, I personally have experience of how clause 4 of the section is enforced in practice and how the Income-tax officer exercises his powers under that sub-section. In a particular case the Income-tax officer asked for some unimportant information which could not be given, because no books were kept from which such information could be given. The assessees were assessed at Rs. 25,000 as their income. The matter was subsequently referred to the Commissioner and he ordered another assessor to go into the matter. The result was that only Rs. 500 had to be paid instead of Rs. 25,000. The case lasted 6 or 8 months. I know the difficulties in getting these assessments set aside. Then as regards appeals to the High Court. We have some experience of that in Calcutta. The Commissioner in five or ten cases out of a hundred himself refers the matter for the opinion of the High Court. In other cases we have to move the High Court to compel the Commissioner to send a statement of the case. According to the Income-tax authorities no question of law arises in any case and we have to convince the High Court that there is really a substantial question of law which ought to be argued and discussed in the High Court. In these circumstances I fully support the Bill and I do not understand why there should be a reference to the country. The recent decision of the Privy Council that the question of bad debts should be decided not by the man who knows about the condition of his debtors, but by the income-tax officials, makes it still more important that there should be some sort of assessors or tribunal consisting of non-officials who are acquainted with business methods who will go into a matter of this nature. For these reasons I support the Bill before the House.

MR. MUHAMMAD AZHAR ALI (Lucknow and Fyzabad Divisions : Muhammadan Rural) : I rise to support the Bill moved by Sir Hari Singh Gour. This Bill, to a great extent, touches the purse of the people and ultimately the money goes into the coffers of the Government, but the real sufferers are the people of the country. I would ask this House to remember that only the other day we have removed several abuses in the criminal law. In the same way, I would ask this House to remove the abuses of the Income-tax Act which have been narrated by other speakers before me and which have also occurred in my own experience. Several firms, I have come to notice, have suffered, because of the jealousies amongst themselves. If there are two competing firms near about, one informs the Income-tax Commissioner that the other firm is paying less than what is paid by the informing firm, and the result is litigation, appeals and objections which go on for months and months and the matter has to be settled by the High Court as explained by Mr. Sen. This Act appears to the country, in general, as

a very arbitrary Act, not supported by any tribunal of assessors. This is an Act of the executive which does not appeal to the feelings of the people. Sir Hari Singh Gour, in a very lucid speech, has explained and asked this House to consider the position, as to why the operation of the procedure under this Act should be different from that which obtains in England. He has quoted instances which, if compared with the Act in British India, would appear to every member to be absolutely arbitrary. If you compare the sections, you will find that in England, there is a tribunal which levies the income-tax, there is a tribunal which assesses the income-tax, there is a tribunal that hears the appeals. If that is the case in the mother country, I do not see any reason why the same case should not hold good in British India. I would appeal to my European friends here. They also suffer a great deal by the operation of this Act. I would also submit that the present Act, as it stands, works in a very harsh manner. People have to take books by cart-loads now, but if there is a tribunal, it is very easy for a member of the tribunal to go to the firm and examine the accounts to his fullest satisfaction; but this is very difficult in the case of one officer, namely, the Assistant Commissioner. Therefore, I submit, that this Bill should be referred to a Select Committee.

THE HONOURABLE SIR ALAN PARSONS (Finance Member): In the course of eight years spent in this House, I do not think I have ever listened to a Bill being introduced in so cavalier a fashion as that adopted by my Honourable friend, the leader of the Nationalist Party. After an appeal which, I think, I might characterise as an appeal more to prejudice than to reason, which practically did not touch on any of the detailed provisions of his Bill, he announced that if the Bill went to Select Committee he did not stand by a single clause or a single word in it. He, in fact, as far as I could see, wishes to send this Bill to Select Committee with nothing behind it from this House except two rather vaguely expressed general principles, that there ought to be some sort of appeal against assessments to judicial authority, and that there ought to be some sort of association of the non-official public with the assessments to income-tax. I am afraid, I am unable myself to treat quite so airily a measure which 53 or 54 Members of this House originally sponsored, and I must go to some extent more into detail than my Honourable friend, the Mover, did.

I think, however, it will probably make for lucidity if I deal first with the question as to whether there is any necessity for this Bill at all,—whether, in fact, there is really the abuse to be remedied which my Honourable friend claims that there is. I know I am having a difficult task because, after all, none of us likes to have to pay income-tax either in this country or in any other country and we none of us like the inquiries which are made from us by officials to enable them to decide whether we have submitted fair returns. I think therefore I shall have to speak against a not unnatural prejudice in all quarters of the House,—but I would like to take up immediately the question whether there is really any abuse. The argument generally is more or less I think as follows. Assessments are made arbitrarily; income-tax officers are judges in their own cause; the Assistant Commissioners of Income-tax sitting in appeal are again judges in their own cause; and the same with the Commissioners. Now is not that really a catchword, "being a judge in one's own cause"? Are we not really using a wrong analogy? As I understand the phrase of a person "being a judge in his own cause," it means a person, by implication probably with very little judicial or legal training, who stands to gain personally by his action and can enforce, as a judge might, his action. Now that is not the position of the ordinary income-tax official. He stands nothing to gain in any way from making an arbitrary, unfair assessment. I know it will be said, "but he does stand to gain if his collections are large, because he will obtain promotion in his Department and be looked upon as a good officer." Actually, Sir, instructions have been issued to stop any such tendency; and I think it is quite arguable that the tendency of Assistant Commissioners of Income-tax and Commissioners of Income-tax—and it is a common tendency I think of all appellate authorities—is to interfere perhaps a little too much. But I can show to the House that there is nothing done that is in any way unfair to the assessees. I will give the House some interesting figures of what actually happened with regard to appeals and reviews in the last two years. In 1929-30—I am leaving out, I may say, the salaried cases because these do not generally come under either appeal or review—the total number of assessees was in round numbers 281,000. The number of appeals filed was 21,714—considerably less than 10 per cent. The number of appeals disposed of, including a certain number of

arrears, was 21,498 and the successful appeals, appeals which the Assistant Commissioners of Income-tax accepted, were 9,899, or nearly 50 per cent. The review petitions to Commissioners were 3,980 filed, disposed of (with arrears) just over 4,000, and 1,765 were successful. And actually, the financial results of those operations, and of the few references to the High Court, were a refund under the orders of the higher officers of the Income-tax Department of no less a sum than Rs. 92 lakhs, whereas the additional collections made were only Rs. 89,694 ! Sir, do those figures then really show that there is any great abuse of these supposedly arbitrary powers ? Indeed, the following year the figures are in some ways even more striking, but it is hardly worthwhile my wearying the House with them. Again they show that in about 50 per cent. of cases the Assistant Commissioners accepted the appeals made to them, and the Commissioners accepted the applications made to them for review. I have for that year one further figure. There were 73 references made to the High Court, and only 19 of those references went against the Income-tax Department ! My first contention, therefore, Sir, is that there is nothing in the present position which justifies a radical amendment of the law ; that the assessment and collection of income-tax is, on the whole, very honestly and fairly done, with due regard to the susceptibilities and rights of the assessees ; and that no case has so far been made out against our present system. In fact the Honourable the Mover made no attempt by any sort of figures to make out a case for any drastic alteration of our present system.

What are the alterations that my Honourable friend seeks to make ? To begin with, he proposes that in making assessments the Income-tax officer should have with him three or more assessors. Incidentally, I should like to draw the attention of the House to the way in which this Bill has been drafted. It says nothing as to who is to appoint these assessors, who is to decide whether they should be more than three, or points of that description. Now how many of my business friends in this House would really like to have their accounts gone into—as they will have to be if this Bill becomes law—by three or more non-officials, some of whom may be either their rivals in business, or friends of their rivals ? A provision of that sort, I can assure you, Sir, will do away once and for all with all secrecy in the administration of the income-tax law ; and it is for that reason that it has on very many occasions been opposed.

MR. B. R. PURI (West Punjab : Non-Muhammadan) : What happens in England, with regard to 'secrecy,'—where the non-official element goes through the assessments ?

THE HONOURABLE SIR ALAN PARSONS : If the Honourable Member will bear with me, I shall be coming later on to the question of what the Commissioners do in England. In England, the making of the original assessment is a matter purely in the hands of the Income-tax Department. So much for scerecy. I cannot believe that the provision which my Honourable friend inserted in clause 3 of his Bill can be anything but extremely harassing to every assessee in the country. Next, Sir, I am unable to discover from my Honourable friend's speech whether these assessors are to be paid or not. We have at the present moment I think 294 Income-tax officers,—with all of whom apparently three or four more assessors are to be associated. Now are they to be unpaid ? If they are to be unpaid, I think they will be the most public-spirited men I have ever heard of because the number of assessments they will have to make is (excluding salaried persons) in the neighbourhood of 280,000, to whom about 280,000 will now have to be added owing to the reduction of the income-tax limit. We shall have to find gentlemen who will receive no remuneration of any kind, not even their travelling expenses, to deal with something in the neighbourhood of 600,000 cases of assessment, and many of these cases take more than one day, one day for a single case. For frankly, Mr. President, if they were paid, the cost of any such measure would be so large that, even if it were desirable, it would make it impracticable.

I will now turn to his next proposal, the one which is said to have been based on an analogy of the English law. Actually, it is correct that it is the English law but it is entirely incorrect that it is the English practice. I propose, with your permission, Mr. President, to read an extract from the report of the Royal Commission on Income-tax in Great Britain of 1920. I must also explain that I have ascertained from the inland revenue authorities in Great Britain that the position with regard to this particular point is practically the same

now as it was in 1920. I am reading from the end of paragraph 341 and the following paragraphs of that report. It begins by saying :

> " If, therefore, the letter of the law were followed, and the duties laid upon the General Commissioners by the Legislature were in fact performed by them, they would be exceedingly busy men.
>
> As a matter of fact the practical position in these matters differs widely from the theoretical, and differs necessarily, for an attempt by the General Commissioners to carry out the Income-tax Acts literally would result in a breakdown of the machinery. In an important or densely populated division the investigation of all appeals and all claims of exemption and abatement by the Commissioners themselves would necessitate their sitting almost continuously throughout the greater part of the year. Seeing that the General Commissioners are an unpaid body of men, frequently men with many other activities, it has naturally come to pass that many of the duties allotted to them are, with their sanction, performed by the Inspector of Taxes.
>
> It is therefore natural that the bulk of the work involved in the adjustment of assessments and the grant of allowances and reliefs should have fallen gradually upon him. (*That is, the Inspector of Taxes.*) For example, only a very small proportion of the tax-payers who appeal against their assessments appear before the Commissioners, in whom alone the law has vested the power to hear and determine appeals. The great majority of appellants settle their cases with the Inspector, and the Commissioners afterwards give some kind of formal covering authority to the settlements. We were given figures showing that in 22 divisions the number of appeals actually heard by the Commissioners was only 1,263 though the total number of assessments adjusted was 67,796, the remaining 66,533 cases having been settled between the tax-payer and the Inspector of Taxes. We think that nothing is being gained by the maintenance of purely formal sanctions at different stages, which hamper speedy administration."

I think, Mr. President, that my Honourable friend is unfortunate in choosing for inclusion in his Bill from the English law exactly that provision of the English law of which very little use has been made, and which, as a Royal Commission has pointed out, has tended to hamper the speedy administration of the law.

Finally, I come to my Honourable friend's proposals with regard to the appeal to the High Court. In this matter, the position out here is, as far as I have been able to ascertain, exactly the same as the position in England. A reference is permitted to the High Court on a point of law but not on the question of the amount of the assessment. My Honourable friend's Bill, as it stands, goes far beyond it. It suggests that appeals should go to the High Court instead to the Commissioner. The number of appeals comes, I think, to about 4,000 a year and the proposal in my Honourable friend's Bill will add enormously to the work of the High Courts and not only in that respect. For they will have not only to hear these appeals, but also because by reducing the fee from Rs. 100 to Rs. 15 as he proposes to do in his amendment to sub-section (2) of section 66, they will be saddled with a great increase in the number of references on points of law. Whether the High Courts themselves will approve so large an addition to their labours and whether it will not involve the entertainment of additional judges, I cannot say ; but until there is some further evidence that these appeals are not dealt with fairly by the Commissioners, I suggest to the House that there is no reason for so radical an alteration in our present practice.

Lastly, I should like to refer to two other points. Under my Honourable friend's proposal, the assessees and Commissioners will not be under the control of the Central Board of Revenue but will be a law unto themselves. There will be no uniformity in the administration of the income-tax and I am sure that all Honourable Members, whatever their opinions, will feel that in a matter of this kind uniformity is most desirable. The second effect of his proposals, I have no doubt, would be that they would lead to delay in assessment and harassment to the assessees because they will not have the free access they now have to the Income-

tax officer and the Assistant Commissioner. That delay will involve a great falling off in the revenue which we derive from income-tax, which will have to be made good from some other source.

For these reasons, Government are uncompromisingly opposed to this Bill. They consider that it would be harmful to the assessee, to the collection of revenue and to the administration of the law, expensive and unworkable. It is a Bill, which, in their opinion, cannot be mended and had better therefore be ended. On the other hand, they recognise that there is some feeling that it should be circulated for the expression of public opinion thereon ; and as acceptance of that motion will in no way commit Government to any views different from those which I have now expressed, Government do not propose to oppose that motion.

MAJOR NAWAB AHMAD NAWAZ KHAN (Nominated Non-Official) : Sir, I congratulate my Honourable friend, Sir Hari Singh Gour, for his loyalty and his services that he often renders for his own community to which he belongs with distinction. But, I am sorry to say, this Bill, which he wishes to introduce, if it ever becomes an Act, will be very dangerous for the whole of the Income-tax Department. It will shake the root of the whole Department and will bring disaster to the financial position of the Government of India.

No doubt the objects of the Bill are sweetly worded in a way. Everybody knows that the tendency of the people is to avoid taxation and, if the Bill becomes law, there will be several other ways and means devised to evade income-tax. If such a tribunal, as is asked for in the Bill, is appointed, the nominations to these tribunals will be on communal lines. All Honourable Members who have taken part in this debate have shown a good many defects in the income-tax law from their point of view. I say, there might be some defects which might be remedied in some way or other, but not in the manner suggested by the Honourable the Mover of the Bill so as to make sweeping changes in the law by the appointment of special tribunals especially when these changes will shake the whole root of the income-tax law and will give more chances to people to escape from income-tax and thus deprive Government of the legitimate share to which they are entitled. Therefore, I oppose the motion for referring the Bill to the Select Committee. Whenever an important Bill is introduced in this House or whenever a recommendation is made for referring a Bill to the Select Committee, Honourable Members have always pressed for its circulation so as to invite public opinion. If the Honourable the Mover still wishes to pursue this Bill, the best course will be to circulate the Bill for eliciting public opinion. Through this circulation, the dangers, that I see, will be seen by many other persons and they would suggest some sort of remedy for the removal of those defects and difficulties which many tax-payers have expressed now or as magnified by them. I sympathise in a way with these people and I wish they escape from those oppressions, if at all they exist in certain cases. But I always disagree that the tax-payers should magnify all their wants or difficulties under the present law. There is another danger, that is, if the taxes are reduced by some such clever means, the Government shall be in great need to meet the financial crisis. The Government would then resort to taxation of some other section of people. I know that it has been suggested in some quarters that the agriculturist should be taxed. Well, it is a self-evident fact that the agriculturists are very poor as compared with other tax-payers. If an agriculturist gets even Rs. 5, that is taxed. Why should not the same principle be applied to other tax-payers. I would say, any man whose annual income is....

MR. S. G. JOG (Berar Representative) : On a point of order, Sir, Are these observations relevant to the present Bill ?

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : The Honourable Member goes much wider than the Bill justifies.

MAJOR NAWAB AHMAD NAWAZ KHAN : If the Honourable Member is pleased to hear me for one or two minutes, he will find out whether my remarks are relevant or not. I have no intention of being irrelevant. I am giving vent to real hardship on the part of agriculturists. If the Government are really just, they should tax people whose income is Rs. 100 and over.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): Will the Honourable Member please explain how this is relevant to the motion before the House ?

MAJOR NAWAB AHMAD NAWAZ KHAN: There is really danger.....

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): The question of the incidence of income-tax is not before the House. The Honourable Member, by his amending Bill, wishes to improve the procedure in regard to the income-tax law.

MAJOR NAWAB AHMAD NAWAZ KHAN: I support the motion of my Honourable friend, Mr. Mackenzie, for circulation of this Bill.

*MR. S. G. JOG: Sir, I have very carefully listened to the observations made by the previous speakers. I really cannot congratulate my esteemed friend and leader, Sir Hari Singh Gour, on the introduction of this Bill which is of a very halting nature. My Honourable friend has been in practice for a very long time, he has been moving amongst people of all classes for a long time and he knows well the ways and the vagaries of the Income-tax Department since a very long time. Instead of making use of his legal knowledge and acumen in bringing forward a measure which will overhaul the whole system of income-tax law, he has come forward with this halting piece of legislation.....

MR. GAYA PRASAD SINGH (Muzaffarpur *cum* Champaran: Non-Muhammadan): Has not the Honourable Member, Mr. Jog, signed this Bill himself ? I find his name appended to the Bill.

MR. S. G. JOG: Not having taken the initiative of making changes throughout the law, for the time being, I felt myself satisfied even with the small measure which he is attempting to introduce.

MR. GAYA PRASAD SINGH: So the Honourable Member now explains it in that way.

MR. S. G. JOG: After having succeeded in introducing this small measure, and getting it passed, probably we will all join in getting the whole Act overhauled. You will generally find, Sir, that in towns and villages this Income-tax Department is, next to the police department, getting more and more unpopular. Why ? On account of the ways of assessment. It is very difficult at times for the assessing officers to get some relief in these villages. When these Income-tax officers go to the villages, they are avoided by the village people and, instead of giving any help to them, somehow or other, people think that it is a sort of invasion. In many cases there is no doubt that Income-tax officers have not got sufficient time to go through the accounts or to collect sufficient material to arrive at a judicial finding as to how much amount should be assessed on the assessee. As the Income-tax officers have a lot of work to do, they dispose of their work in a very hurried way without doing any justice to the assessee. I am told that there are secret instructions, demi-official instructions, to the Income-tax officers as to what the probable amount of income-tax for a particular district or a particular province should be and, at times, attempts are made, somehow or other, by hook or by crook, to reach that figure. Sometimes the Income-tax officers think that if the usual assessment is not reached, probably they will be taken to task by their higher officials for not collecting or reaching that figure.

THE HONOURABLE SIR ALAN PARSONS: No such instructions have ever been issued.

MR. S. G. JOG: The instructions may not be exactly in so many words, but they are asked as to why the assessment in a particular district has fallen.

MR. N. M. JOSHI (Nominated Non-Official): It is quite natural.

MR. S. G. JOG: If the subordinate officers are shrewd enough to read between the lines of these instructions, they know what their superior officers mean by them and they try to meet their wishes.

* Speech not revised by the Honourable Member.

There is no doubt that in many cases, probably because the Income-tax officer has not got sufficient time or he has to deal with so many cases, proper assessment is not made ; and, if in each case, the assessee has to go and file an appeal, the Finance Member has probably no idea how costly it would be. Also in many cases there is very little chance of the appeal being successful and in addition to the assessment that is levied by the lower officials, the assessee thinks that he will be spending money needlessly for carrying the appeal through, and so he ultimately submits to the assessment. There is no doubt that the whole thing is done in a very slipshod way and now that this Income-tax Department has been working for so many years, it is absolutely necessary that this old system, which may not be absolutely rotten but, certainly, not up to the mark, should be done away with and we must introduce a system by which this assessment can be said to be judicially made. Many questions of importance arise as to whether a particular property is liable to assessment or to exemption, or whether a particular debt or amount is recoverable or not and whether it should not be included in the assessment, and so on. Many questions of legal technicality are always involved in this assessment question and, so far as the knowledge of these Income-tax officers goes, they are wanting in that technical knowledge so as to be able to decide these questions. They might be dealing according to their own lights with some questions of fact, but they are not able to decide these technical questions ; and what I submit is that there must be an agency or some procedure by which this assessment can be put to a judicial test. The present agency is not and cannot be sufficiently qualified to do this sort of work. In the beginning perhaps it might have been all right. It was a new department and, for some time, probably the department did not like to add more expenses and during the first period they did all right. But now, as things are changing, I think the whole procedure must give way to a more civilised, more systematic and more methodical procedure which will appeal to every assessee and there will not be any reason to complain against these assessments or against the wrong methods or harassments or whatever it might be.

There is a question as to whether this Bill should be sent for circulation or whether it should go to Select Committee. I think even if the Bill be circulated for opinion, there will be an overwhelming opinion in its favour and this House will have sufficient material to see how the Income-tax Department is behaving so far as the assessment is concerned. But I personally think that the wrong or improper way of doing things,—I will not say abuses,—is so familiar that it is not necessary to send the Bill for circulation. Everybody knows that there is something wrong in the procedure of the Income-tax Department which must be set right, and I will support the motion that it be sent to Select Committee. I am really glad that the attention of the Finance Member has been drawn to the long list of signatures appended to the Bill. That is sufficient to show that there is a strong public opinion behind this measure and it is sufficient to satisfy the Finance Member that so many people require a change, a change which is absolutely necessary and must be made. I support the motion for reference to Select Committee.

MR. B. R. PURI : Sir, I should have thought that there were some measures which hardly needed any speeches to support them. The measure which is now before us for our consideration is so manifestly fair, that I for one think that it requires no elaborate arguments to justify its adoption. My Honourable colleague, the Leader of the Opposition, has been criticised in certain quarters for failing to ask for the complete overhaul of the income-tax law, and I think there is some justification for that criticism. The Income-tax Act is so replete with defects that it would not be too early to ask for a complete revision of that law. But, Sir, there is such a thing as overdrugging a patient and, I think, my Honourable friend, Sir Hari Singh Gour, has acted very tactfully and discreetly in not asking too much, because, even the modest demand which is involved in this Bill has proved too big a pill for the Honourable the Finance Member to swallow.

Now, Sir, what is, after all, the nature of the Bill which is before us ? The Bill is a very fair measure and, as I have said, a perfectly modest measure. It really has for its object the inclusion of the non-official element for the purpose of determining the assessment of income-tax. Hitherto the assessment, according to our non-official experience, has been conducted in a very oppressive manner and, therefore, it is but a just demand that we should ask that non-officials should also be co-opted with the agency which is responsible for the assessment

of income-tax. What are the objections against it ? I have heard two-fold objections. One Honourable Member remarked that if we committed such a folly as to invite the co-operation of non-officials to take part in the matter of assessment of income-tax, all the trade secrets would be thrown to the winds and non-official people would henceforth be in possession of secret and confidential statistics and information which it would not be in the interest of the trade to disclose. Sir, in support of the procedure which is demanded in the present Bill, the Honourable the Mover has drawn the attention of the House to the practice which prevails in England ; and I took the liberty of interrupting the Finance Member,—for which I apologise, —and asking him whether he could throw some light on how things work out in England, whether secrets there are disclosed, to the prejudice of the trade and commerce, or whether people there are so unmindful of their commercial interests that they do not care whether their rivals or their competitors in trade come to know the inner working and the secrets of their profession. If a thing is good enough there, I do not see what possible objection and fair argument can be advanced in not introducing the same system which has worked well in another country. But, side by side with this argument, there has been advanced another argument against the inclusion of non-officials for this purpose, and, that is, that he would introduce a communal question into the matter. It pained me to hear that argument, for one thing, because when this sort of argument is advanced, I, in my own mind, am certain that no better argument is available to the opposite party. When there is nothing better available, resort is made to an argument of this nature. Let us examine it on its own merits. The argument is that if you engage the services of a non-official, he is bound to bring with him the communal feelings ; if he is a Hindu, he is bound to go against the Muhammadans ; if he is a Muhammadan, he is bound to go against the Hindu assessees.

MR. B. DAS : And if he is a European ?

MR. B. R. PURI : He will go against both or else against neither in which case he will be no good to the Department. Now, let us examine this argument. Why apply this communal consideration only to non-officials ? If there can be non-official communalists, cannot there be official communalists ? Have you not got such people in service already ?

MAJOR NAWAB AHMAD NAWAZ KHAN : Officials have more responsibility than the non-officials.

MR. B. R. PURI : I wish they had and I wish that the non-officials also felt their responsibility better. As I said, if communalism can prejudice and blind the non-officials, cannot it equally prejudice and warp the intellect and intelligence of the officials ? Do you seriously maintain that a Hindu becomes a very superior man, a super-Hindu, and friendly to Muhammadans the moment he is clothed with some sort of authority ? Ask my Muhammadan friends if they have got that confidence in Hindu officials ; and ask the Hindu members if they have got such confidence in the Muhammadan officials—I am stating a perfectly candid truth before the House. If, therefore, the official communalists are permitted to carry on this work of assessment to the prejudice of the class to which they do not belong, by what fair argument can you urge that non-officials, by being included for the purpose of assessment, will bring into the arena a consideration which hitherto does not exist ? Therefore, there does not seem to me to be any substance in this argument at all.

Let us get on to the next point. The next demand which the Bill makes is that the Income-tax Department should not sit in judgment over their own acts. After all, there cannot be any possible objection to the impartiality of a tribunal like the High Court. There does not seem to be any reason why the High Court should not be allowed to give its final and impartial judgment where complicated questions, either of fact or of law, are involved connected with the Income-tax Department. The only objection which I have heard from my Honourable friend, the Finance Member, is that, according to his statistics, there would be about 4,000 appeals or references which would be taken to the High Court and the valuable time of the Honourable Judges of the High Court will no doubt be wasted. The argument, no doubt, on the face of it, sounds plausible. But might I ask, who disposes of these appeals at the present moment ? Is it not the Commissioner of Income-tax ? How many Commissioners of Income-tax dispose of these appeals successfully and expeditiously ? If there is

only one Commissioner of Income-tax, as I understand it is, who is capable of disposing of all these 4,000 appeals, the High Court, with the personnel of nearly 15 or 16 Judges, or say 12 on an average, should be able to manage it easily.

THE HONOURABLE SIR ALAN PARSONS: May I explain that there is a Commissioner of Income-tax in each province....

MR. B. R. PURI: And so there is a High Court in each province.

THE HONOURABLE SIR ALAN PARSONS: .... and that most of his time is occupied with these appeals ?

MR. B. R. PURI: Very well; if there is one Commissioner of Income-tax in each province, let us take one judge from each High Court in each province. How would the Government suffer ? It will promote greater confidence amongst the people if the final authority to hear appeals in income-tax cases is not a member of that department, but a disinterested impartial Judge of a High Court.

RAO BAHADUR B. V. SRI HARI RAO NAYDU (Madras: Nominated Official): You will have to employ one extra High Court Judge in each province.

MR. B. R. PURI: The High Court Judge will not be extra, because then your Commissioner will be relieved of the duty he is now doing. The work will be transferred from one official to another; instead of the Commissioner disposing finally income-tax cases and appeals, it would be a High Court Judge and any day you will agree that it would be better arrangement.

RAO BAHADUR B. V. SRI HARI RAO NAYDU: What about the cost ? A High Court Judge will cost 4,000 rupees a month, while a Commissioner probably gets much less.

MR. B. R. PURI: The Commissioner is not doing the work gratis. How much salary he draws, I do not know; my Honourable friend may know more; but, I dare say, that he is not drawing less than Rs. 3,000 a month.

RAO BAHADUR B. V. SRI HARI RAO NAYDU: No.

THE HONOURABLE SIR ALAN PARSONS: I do not know the exact amount that is paid; but it is certainly less than Rs. 3,000.

MR. B. R. PURI: When we actually come to that stage, I think we will be able to adjust the salary. If everything else goes through, we will not be held up by the consideration of salary. That leaves only one little point and that is this; that the number of appeals at the present moment is quite large, that the number of appeals in which the Commissioners interfere shows a fair proportion. Therefore, so far as the disposal of appeals is concerned and so far as the sense of impartiality, the Commissioners and Assistant Commissioners are not actuated by any departmental ideas and feelings, because, in a very large number of cases, they actually interfere. This sort of statistics are very misleading. In any way they are not conclusive, because, after all, over and above these statistics, it is very difficult to say what would be the number of appeals if they were to be handled by an outside agency. There is no doubt a very strong feeling among the public, and it is a reasonable feeling also, that an appeal against a subordinate member of a department to the head of that very department has got very little prospect of success. Therefore, Sir, we have got to wait and see when better conditions are introduced, namely, when more independent agencies are employed for hearing and disposing of the appeals against the deeds or misdeeds of a particular department, it will then be for us to see how far your present statistics are sound or otherwise, and then alone we will be able to see what is the number of cases that really succeed in appeals.

MR. P. G. REDDI (Guntur *cum* Nellore: Non-Muhammadan Rural): I move, Sir, that the question be now put.

The motion was adopted.

SIR HARI SINGH GOUR: Sir, my friend, the Honourable the Finance Member, is evidently reading from his notes for which he was not responsible; but if he had consulted Sir Alan Parsons I do not know whether he would not have agreed with me. His feeble and special pleading left this House cold. He, first of all, pointed out that he did not quite understand what is meant by a phrase "a judge in his own cause." Well, to the Honourable the Finance Member I will say, it means that the Income-tax officer is the appellate court in the matter of assessment which he may fix himself. That is the meaning of the phrase 'judge in his own cause.' He is the assessor, he is the judge, and he sits in judgment over his own act.

Then my friend pointed out that though my description of the English law was theoretically right, in point of practice the Income-tax Department makes that assessment, and he quoted an antediluvian report of 1920 and said that that, he was informed, was also the present law. I hold in my hand.....

THE HONOURABLE SIR ALAN PARSONS: Present practice, Sir.

SIR HARI SINGH GOUR: I hold in my hand a recent book called the "Complete Practical Income-tax" by Mr. A. G. McBain, Chartered Accountant, an expert in income-tax law, and let me present these few sentences to the Honourable the Finance Member so that he might correct his notes for future guidance. This is what the present law is and has been for the last ten years.

THE HONOURABLE SIR ALAN PARSONS: May I explain, Sir, that I said nothing about the law, I said what the practice was.

SIR HARI SINGH GOUR: I think my friend did not hear me properly, I say what the present practice is. We are at issue as regards the present practice, and I hope the Honourable the Finance Member will inform the Royal Commissioners of 1920 that their Report was wide of the mark, because here is a book written by a man who is a practical income-tax expert. And this is what he says on the very first page:—

> "All duties of income-tax are under the care and management of the Commissioners of Inland Revenue, Somerset House, London. The actual assessments, however, (with the few exceptions specifically provided for in the Act) are finally 'allowed' by two bodies, the General Commissioners and the Special Commissioners. The General Commissioners are usually seven in number, and fill vacancies themselves. In most cases they are prominent business men or land owners in the district, are unpaid, and must possess a certain property qualification."

Then he gives a description and says that the tax-payer can be represented by an Agent, and so on, and the rest of it I have given in my notes on clauses. Therefore, not only theoretically but practically to-day and for a long number of years the income-tax law in England has been administered by unpaid popular agencies, and an English Income-tax assessee would never have tolerated the spectacle of a statutory enactment of Parliament being treated as a dead letter. So much for the practice of English law.

Then my friend said you want to change the present law—it is an ideal law, a most satisfactory law. It is ideal to him, satisfactory to him and his department, but it is galling to the whole country. And let the Government once for all take notice of the fact that if there is one tax which has created deep discontent throughout the length and breadth of this country, it is the income-tax procedure.....

MR. N. M. JOSHI: How many tax-payers are there?

SIR HARI SINGH GOUR: My friend, Mr. Joshi, says—how many tax-payers are there, let them be bled. If injustice is done even to one man, I shall rise up in arms against it and

see that justice is done even to that one solitary man. Numbers do not matter. What matters is injustice, and this House has again and again vindicated its right as the forum of public opinion regardless of the number of people to be benefited by it.

Then, Sir, we are told, why do you want to change the law ? If you want to have assessors, you will have difficulties in finding men, and a henchman of my friend ejaculated " Oh, communal considerations would arise." Now, Sir, as regards the appointment of assessors, Honourable Members of this House know that there were assessors even under the Indian Act, but these have been done away with only recently. There was no complaint that the assessors attached to all Income-tax Departments did not serve a useful purpose. As regards the communal feeling, does my friend not remember that now, since 1923, a very large number of murder cases are now tried with the help of a jury, and the jury system throughout India has been found to be very satisfactory ? And, if there is no communal feeling when the man is being tried for his life, how can you expect that there would be any communal feeling when these gentlemen advise the Income-tax Officer as to what are the financial resources of a proposed assessee ? Sir, I treat this argument, coming as it does from a nominated Member, with that unmentioned silence which it deserves. I submit, my countrymen would rise above their communal feeling. They have risen sitting upon the High Court Bench, sitting in the Jury Box, doing their public duty regardless of any public feeling or communal prejudices.

Then, Sir, we have been told—look at the number of appeals that have been admitted. Sir, I remember one of my friends said that I had a very long experience at the bar. Sir, I have. And do you know how the Income-tax Department prepares statistics ? An appeal is admitted to the extent of Rs. 5, and that becomes an appeal admitted. Then my Honourable friend quietly goes into the facts and says how far the assessee has been relieved by the Income-tax Department, but he fails to mention to what extent he is being oppressed. The whole method of assessment is vicious. You have the Income-tax Officer. The appeal goes to the Assistant Commissioner, who is an officer of the same Department. Then it goes to the Income-tax Commissioner who is responsible for the collection of income-tax in the whole province. Can you expect a departmental head, who has got attachments to his own department, and whose pay, promotion and prospects are in the hands of the department—can you expect him to do justice to the unfortunate assessees ? If you find that this year he has collected one crore of rupees, and in the next year the income has gone down to Rs. 50 lakhs, does my Honourable friend, for a moment, suggest that the department would not ask for an explanation as to why there has been a sudden fall in the revenue ! Surely, I wish to re-emphasise what I have been saying before, that whatever may be the doings of the Income-tax officers, we do not wish to place them in a position where their interests will come into very direct conflict with their obvious duty. That is what we wish to avoid, and that, I submit, is the fundamental creed of having an impartial and judicial tribunal to sit in judgment over all assessments. That is the established law of England under which, as I said in my opening speech, every assessee is entitled to appeal in spite of the several preliminary safeguards I have referred to. Those safeguards I have not provided in my Bill, but I submit that the procedure requires a radical change, and as my Honourable friends on the back benches have pointed out, my Bill is a very modest Bill. I recognise that it is a modest Bill, and I am surprised that it should have been opposed by the occupants of the Treasury Benches. That shows the extent to which the reactionary element is preponderating in the Government of India. They cannot possibly fail to realise the trend of public opinion. Have they not seen the reports to which I adverted ? Have they not read that judges after judges have been condemning this procedure and calling for a change ? When a Judge of the Calcutta High Court makes some remarks purely in the nature of *obiter dicta*, down came the Government with all their massive battery, a Bill is drafted and circulated by executive action, and in supersession of all other business it is put in train for enactment by this House. That is when it suits them, but when it does not suit them, they begin to ask questions, what Judge, why is the evidence like this, and how is it relevant—that is done when it does not suit them. That is not the way to govern a great Empire ; that is the way to lose it. I warn you that if you, within the few months or years that lie before you, do not show a greater sense of fair play and justice to this country, your accumulated injustices, your accumulated and multiplied wrongs would create, as indeed

they are creating, a growing discontent in this country the end of which I know not, but the end of which you may soon see and regret. (Cheers.)

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) :—The question which I have now to put is :—

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 2nd January 1933."

The motion was adopted.

Copy of letter No. 2352/179, *dated the 6th December* 1932, *from the Association to the Deputy Secretary to the Government of Bombay, Finance Department.*

Subject :—INDIAN INCOME-TAX (AMENDMENT) ACT.

I am directed to acknowledge the receipt of your letter No. 1988-F, dated the 18th October 1932, requesting my Committee to express an opinion on a Bill "to amend the Indian Income-tax Act" having for its object the establishment of tribunals to control assessment, hearing of appeals, etc.

My Committee have carefully studied the provisions of the draft Bill. They agree that it is desirable, in fairness to the assessee, that some form of popular control should be provided for in the existing machinery for the collection of taxes, but they are unable to support the Bill as it stands, for the reason that, in their opinion, it goes beyond the actual requirements of the case.

APPENDIX 36.

STAMP DUTIES ON COMMERCIAL DOCUMENTS.

Copy of letter No. 9649, *dated the 26th July* 1932, *from the Secretary to the Government of Bombay, Finance Department, to the Association.*

I am directed to forward herewith a copy of a letter from the Government of India and to request that the Government of Bombay may be furnished with the views of your Association thereon.

Copy of circular No. 5-*Stamps*/32, *dated the* 13*th June* 1932, *from the Joint Secretary to the Government of India, to all Governors' Provinces* (*including N. W. F. P.*).

I am directed to address the Local Government on the question of the reservation for central or federal legislation of the subject of stamp duties on certain classes of instruments, a question which was referred to in paragraph 30 of the report of the Federal Finance Committee.

2. Under the existing Devolution Rules, the list of Provincial subjects includes "non-judicial stamps subject to legislation by the Indian Legislature." The Federal Finance Committee, after recommending that all stamp duties should be Provincial sources of revenue, propose that control of legislation by the Indian Legislature should be retained, not, as at present, with reference to all stamps, but with reference to a list of stamps which are at present reserved in practice for Central legislation together with any additions that may be made to that list before the establishment of the Federation. The list was communicated to the Local Governments in letter No. 902, dated the 17th February 1922, from the Government of India in the Department of Commerce, the instruments being :—acknowledgments, bills of exchange, share certificates, cheques, delivery orders in respect of goods, letters of allotments of shares, letters of credit, insurance policies, promissory notes, proxies, receipts and shipping orders.

3. The Government of India note that when the list was drawn up in 1921 the matter had to be dealt with urgently because various Provincial Governments were asking for authority to enhance stamp duties within their jurisdictions, and there was no time to obtain an expression of the opinion of commercial bodies. The present issue is whether the Constitution should contain a certain provision and not, as at that time, how a similar provision which was in the Constitution should be exercised ; but the issues are sufficiently closely connected to lead the Government of India to the view that an opportunity should now be given to Local Governments and, through them, to commercial bodies to express their opinion before a final conclusion is reached ; and this is the first object of the present reference.

4. One of the considerations which were regarded as having weight in 1921 when the present list was drawn up was that there was a class of documents, nearly but not exactly agreeing with those in the list, which were allowed to be stamped with unified postage and revenue stamps. The Federal Finance Committee in paragraph 31 of their report themselves refer to difficulties which have arisen in dividing the proceeds of the sale of unified stamps—difficulties which could best be obviated by giving up the use of these instruments and providing separate revenue stamps in the future. Apart from this, the Government of India are inclined to think that a matter of policy which is to affect the framing of a Constitution should not be influenced by a relatively minor consideration such as convenience in making a division of the proceeds of the sale of unified stamps. The only arguments that should now be taken into account should be arguments relating to inconvenience that might be caused to commercial and other interests if stamp duties were dfferent in the various Provinces.

5. The Government of India are themselves provisionally of the opinion that there are no very strong arguments for the retention in the proposed new Constitution of a list of instruments reserved for central legislation. The opposite view may, however, ultimately be adopted, and the Government of India would be grateful if Local Governments, even though they may agree with the provisional view of the Government of India, would say whether in their opinion there are any other instruments that should be included in the list of reserved instruments, should such a list be maintained.

6. To the provisional view of the Government of India, as just stated, an exception should possibly be made in respect of cheques (at present free from duty). It is true that a solution could be found without great difficulty for certain objections that arise at first sight. Any doubt as to the liability of cheques dealt with in more Provinces than one (for example, a cheque drawn by a depositor in one Province on a bank in a second Province in favour of a payee in a third) could be removed by an understanding that the stamp duty on a cheque should be paid at the rate, if any, in force in the Province in which the bank or other drawee is situated. If it is argued that this rule might lead people to keep their accounts with banks in Provinces where there was no stamp duty or a lower stamp duty than that in force in their own territory, the answer seems to be that this would rarely be possible without inconvenience and avoidable expense on commission for the transfer of funds, and that even if it did happen, the loser would be the Province that levied a high rate of stamp duty so that the remedy would lie in its own hands. Up to this point, the Government of India feel that the general objections to taxes imposed by the Federal Government for the benefit of the Provinces might

well outweigh any disadvantage from having different laws as to the stamping of cheques in different Provinces. But this attitude can perhaps only be maintained on the understanding that whatever the variations from Province to Province the duty will in all Provinces be kept at a low figure. Otherwise, the freedom of the Provinces in the matter would be subject to an objection less superficial than those already mentioned, namely, that a high duty, where imposed, would be a serious deterrent to the growth of the banking habit, and the growth of that habit may well be regarded as an objective of all-India importance. I am directed to enquire particularly whether the Local Government see such force in this point as to make it desirable that the Constitution should impose some control over the Local Governments so as to prevent such an untoward result. If the point has force, it may be suggested that a power vested in the Federal Government to restrain Local Governments from raising the duty above such figure as might be held to be reasonable would not be preferable to a provision that the stamp duty on cheques should be actually reserved for central legislation.

7. The subject dealt with in the preceding paragraph has immediate importance apart from the examination of the proposal dealt with in the Federal Finance Committee's Report. The Governments of the four Provinces which, before the abolition of this duty, enjoyed the largest revenue from it have expressed themselves in favour of the re-introduction of the stamp duty. If the conclusion is that this particular duty should be reserved in future for central legislation, then it will be necessary now also for the Government of India to consider whether the views of certain other Local Governments should be overruled and the duty reimposed by all-India legislation ; if, on the other hand, the conclusion is that central control will not be necessary in future, then it can be withdrawn at once and existing Local Legislatures given a free hand to reintroduce the duty or not, as they may prefer.

8. The questions, then, upon which I am directed to ask for the views of the Local Governments and, through them, of commercial organizations, may be briefly recapitulated in the following terms :—

(1) Should a list of stamp duties reserved for central legislation be maintained in the new Constitution ?

(2) If the answer to (1) is in the affirmative, should any additions be made to the existing list ?

(3) If the answer to (1) is in the negative, should an exception be made in the case of cheques ?

(4) If the answer to (1) is in the negative, and to (3) is in the affirmative, how should the central control over the duty on cheques be exercised, i.e., by reserving legislation itself or by reserving to the Central Government a mere power of veto ?

Copy of letter No. 1742/164, *dated the* 15*th September* 1932, *from the Association to the Secretary to the Government of Bombay, Finance Department.*

I am directed to refer to your letter No. 9649, dated 26th July 1932, forwarding a copy of a Government Resolution of the same date giving cover to a letter dated 13th June from the Government of India on the subject of the reservation of legislation in respect of stamp duties on certain classes of commercial instruments, to the Federal Legislature.

My Committee desire me to say that, on a careful consideration of the relevant paragraphs of the Report of the Federal Finance Committee and the Government of India's letter, they agree with the proposal made by that Committee that control of legislation should continue to remain with the Federal Legislature in respect of stamps on certain commercial instruments which are at present reserved in practice for Central Legislation and more particularly mentioned in paragraph 2 of the Government of India's letter under reply. The only additions to the list which my Committee would like to suggest are arbitration awards, and powers-of-attorney.

In coming to this conclusion my Committee have been influenced by the consideration that if India's future constitution is to be on a federal basis, control of legislation which affects commercial transactions in all parts of the country should be unitary and should vest in the Federal Legislature and not with the legislatures of the various units of the Federation. If control of legislation in this matter is to be taken away from the Federal Legislature and handed over to Provincial Governments the inconvenience which would be caused to commercial interests by reason of the variation in the rate of stamp duties from Province to Province would be serious and would, moreover, far outweigh the difficulties experienced at present in allocating the revenue from unified stamp duties among the Provinces.

With regard to the duty on cheques my Committee agree with the concluding portion of paragraph 6 of the Government of India's letter in which it is suggested that the stamp duty on cheques should be reserved for central legislation in preference to giving the Central Government a power of veto over Provincial Governments in the matter. The question of the re-introduction of the duty on cheques would, therefore, rest with the Central Government and may be taken up for consideration when the reformed constitution comes into being.

The answers to the queries raised in paragraph 8 of the letter will be as under :—

Q. (1) Should a list of stamp duties reserved for Central Legislation be maintained in the new Constitution ?

A. Yes.

Q. (2) If the answer to (1) is in the affirmative, should any additions be made to the existing list ?

A. Yes. Arbitration Awards and Powers-of-Attorney.

APPENDIX 37.

AMENDMENT OF THE INDIAN CONTRACT ACT.

Copy of letter No. 63/3-B, dated the 23rd December 1931, from the Offg. Secretary to the Government of Bombay, Home Department, to the Association.

Subject :—INDIAN CONTRACT ACT, 1872. PROPOSAL BY THE CHAMBER OF COMMERCE, BOMBAY, TO AMEND SECTION 178 (MERCANTILE AGENT).

I am directed by the Governor in Council to forward herewith a copy of a letter from the Secretary, the Chamber of Commerce, Bombay, No. 2777/337, dated the 20th November 1931, regarding the amendment of section 178 of the Indian Contract Act, 1872, and to request that you will be so good as to favour Government with the views of the Millowners' Association, Bombay, in the matter.

Copy of letter No. 2777/337, dated the 20th November 1931, from the Chamber of Commerce to the Secretary to the Government of Bombay, Legal Department.

I have the honour to inform you that the Committee of the Bombay Chamber of Commerce have received a representation from the Exchange Banks Association, Bombay, urging that Section 178 of the Indian Contract Act, IX of 1872, as amended by Act IV of 1930 might be further amended by the addition of an explanation to the effect that " A muccadam and commission agent in cotton in the Presidency of Bombay shall be deemed to be a mercantile agent for the purposes of this section."

2. Section 178 of the Act at present reads as follows :—

" 178. Where a mercantile agent is, with the consent of the owner, in possession of the goods or the documents of title to goods, any pledge made by him, when acting in the ordinary course of business of a mercantile agent, shall be as valid as if he were

expressly authorised by the owner of the goods to make the same ; provided that the pawnee acts on good faith and has not at the same time of the pledge notice that the pawnor has not the authority to pledge."

Explanation.—In this section the expressions ' mercantile agent ' and ' documents of title ' shall have the meanings assigned to them in the Indian Sale of Goods Act, 1930.

A mercantile agent has been defined by Section 2 (9) of the Indian Sale of Goods Act as follows :—

"Mercantile agent means a mercantile agent having in the customary course of business as such agent authority either to sell goods, or to consign goods for the purpose of sale, or to buy goods or to raise money on the security of goods."

3. It would appear that in consigning cotton to a muccadam and commission agent in Bombay up-country consignors look to the personal integrity of the muccadam and commission agent concerned. Unless the cotton is consigned to the muccadam and commission agent for warehousing only (which is an exception to the general practice), they know they will be able by custom to obtain and do obtain from the muccadam and commission agent advances, subject to a margin, against cotton so consigned.

4. It is well known to such consignors that the muccadam and commission agent in turn obtains finance from banks by pledge of the cotton, entirely irrespective of the amount which he has advanced in his turn to the consignor and that in such cases the consignor once he parts with the cotton does not concern himself with what happens thereafter, but relies entirely upon the standing of the muccadam and commission agent to whom he consigns his cotton.

5. The cotton once received in Bombay may and does frequently change hands several times and it has been found entirely impracticable for banks to make proper enquiries of the true owner for the reason that the true owner can very seldom be determined and the bales of cotton or documents of title in no way show or give an indication of the true owner.

6. It is submitted that the up-country constituent is in a very much better position to prevent fraud than a bank can ever hope to be in and therefore that the responsibility for preventing fraud should rest with him. The object of the amendment is to that end.

7. Finally it remains to be pointed out that the difficulties, to remove which the proposed amendment is contemplated, are very real. In addition to the muccadam and commission agent who deliberately practises fraud there is the muccadam and commission agent who avails himself of the anomaly in law to assert, wrongly, when faced by a demand for further margin from a bank that he held the cotton for warehousing only, thus putting the bank to the very great expense of proving in a Court of Law that the muccadam and commission agent in fact held the cotton for sale.

8. My Committee are advised that under Section 80A of the Government of India Act it is competent for the local Government to amend Section 178 of the Indian Contract Act in the manner suggested with effect throughout the Bombay Presidency, and I am to express a hope that the Government of Bombay will see its way to taking such steps as may be necessary to amend the section.

Copy of letter No. 90/30, *dated the* 12*th January* 1932, *from the Association to the Secretary to the Government of Bombay, Home Department.*

Subject :—INDIAN CONTRACT ACT, 1872. PROPOSAL BY THE CHAMBER OF COMMERCE, BOMBAY, TO AMEND SECTION 178 (MERCANTILE AGENT).

I am directed to acknowledge the receipt of your letter No. 63/3-B, dated 23rd December 1931, asking the Association to express its views on a proposal made by the Bombay Chamber of Commerce for the amendment of Section 178 of the Indian Contract Act.

My Committee have carefully considered the suggestion made by the Bombay Chamber of Commerce for removing the very real difficulties pointed out, and would welcome the proposed amendment.

APPENDIX 38.

INDIAN RAILWAYS ACT AMENDMENT BILL.

Copy of letter No. 7057/27, dated the 19th October 1932, from the Deputy Secretary to the Government of Bombay, Public Works Department, Irrigation and Railways, to the Association.

Subject :—THE INDIAN RAILWAYS (AMENDMENT) BILL.

I am directed by the Governor in Council to forward herewith copies of the papers noted in the margin* and to request that Government may be favoured, by the 25th November 1932 at the latest, with any remarks you may have to make, regarding the provisions of the Bill.

* (1) Bill as introduced with Statement of Objects and Reasons.

(2) Extract from the Legislative Assembly Debates dated 14th September 1932 regarding the Bill.

A Bill further to amend the Indian Railways Act, 1890, for a certain purpose.

WHEREAS it is expedient further to amend the Indian Railways Act, 1890, for the purpose hereinafter appearing ; It is hereby enacted as follows :—

1. *Short title.*—This Act may be called the Indian Railways (Amendment) Act, 1932.

2. *Amendment of section* 51, *Act IX of* 1890.—For clause (*e*) of section 51 of the Indian Railways Act, 1890, the following clause shall be substituted, namely :—

"(*e*) it may provide and maintain any means of transport for the conveyance of passengers, animals or goods in any area to which access is afforded by its railways."

STATEMENT OF OBJECTS AND REASONS.

Under the existing sub-section (*e*) of section 51 of the Indian Railways Act, 1890, a railway company which is not one of the guaranteed companies for which the Statute 42 and 43 Victoria, Chapter 41, provides, may with the sanction of the Governor-General in Council provide and maintain any means of transport which may be required for the reasonable convenience of passengers, animals or goods carried or to be carried on its railway. As this sub-section reads, it would appear that a railway company cannot own and operate a road motor service as a feeder to its own railway, unless the traffic to be carried by such service is through-booked over the railway. It may also be held that such a company is precluded from operating a road motor service where an adequate service is already in existence, and from running any other mode of conveyance parallel to its railway line.

2. The Associated Chambers of Commerce of India and Ceylon at their meeting in December, 1930, adopted the following Resolution :—

"That Government should take such steps as may be necessary to amend the Railways Act of 1879 and 1890, in order to permit both State and Company-managed Railways to own and operate motor and/or air services, as subsidiary services to existing railway systems, without any restriction in regard to carrying passengers or goods 'carried or to be carried on the railways'."

Section 51 of the Act does not apply to State-managed lines and such lines, therefore, are under no legal disability in the matter of owning and operating road services. It is, however, the smaller railways, whose revenues have been seriously affected by the development of motor competition, who are in need of powers to run such services.

3. It is proposed, therefore, by amending sub-section (*e*) of section 51 of the Act, to make it clear that the railway companies referred to in section 51 may own and operate unconditionally road motor services for the carriage of traffic in areas served by their railway. The exercise of these powers will, however, still be subject to the sanction of the Governor-General in Council being obtained in each case.

SIMLA, C. P. RAMASWAMI AIYAR.
the 25th August 1932.

Extract from the Legislative Assembly Debates, Vol. IV, No. 7.

* * * * *

(The Assembly met in the Assembly Chamber, Simla, on Wednesday, the 14th September 1932.)

THE INDIAN RAILWAYS (AMENDMENT) BILL.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR (Member for Commerce and Railways) :—Sir, I beg to move :

"That the Bill to amend the Indian Railways Act, 1890, for a certain purpose, be taken into consideration."

I may at once say that I have noticed that there are amendments standing in the names of two Honourable Members that this Bill be circulated for the purpose of eliciting opinion. I may also add that after consideration we have arrived at the conclusion that there are reasons why this Bill should be circulated for the purpose of eliciting opinion. At the present moment the Government of India have initiated an inquiry to be undertaken by the Road Engineer of the Government of India in conjunction with an officer representing the Railway Board to ascertain what steps should be taken to effect a co-ordination of road development with the Railways. The two officers have been instructed to visit every province, to consult the Local Governments and Railway Administrations and have been asked to draw up a report by the middle of November. Moreover, I have myself seen many valuable suggestions and criticisms as to the right policy to be adopted with regard to this co-ordination of railway and motor traffic. There are undoubtedly two sides to the question and Government realise that opinion is not unanimous or uniform. In these circumstances Government have come to the conclusion that opinion should be collected before they proceed further with this Bill. I am therefore in a position to assure Honourable Members that I shall be prepared to accept the motion for circulation.

MR. M. MASWOOD AHMAD (Patna and Chota Nagpur *cum* Orissa : Muhammadan) :—Sir, I move :

"That the Bill be circulated for the purpose of eliciting opinion thereon."

I want to give my views on this question for the reason that Government may be able to judge my arguments when they discuss the opinions which they will receive. Sir, the Bill under discussion proposes to provide and maintain any means of transport for the conveyance of passengers, animals or goods in any area to which access is afforded by the railways. In the Statement of Objects and Reasons, it is said :

"It is proposed, therefore, by amending sub-section (*e*) of section 51 of the Act, to make it clear that the railway companies referred to in section 51 may own and operate unconditionally road motor services for the carriage of traffic in areas served by their railways."

Again, it is said :

"It is, however, the smaller railways whose revenues have been seriously affected by the development of motor competition, who are in need of power to run such services."

You will find, Sir, that on previous occasions also it has been said that the main causes of the deficit in the railway budget are the development and increasing competition of the buses with the Railways. I want to make it absolutely clear that the motor competition is not so much responsible for the deficit in Railway earnings and, if this competition is responsible for it to a limited extent, then it is very difficult for the Railways to successfully compete with the buses. In saying that the deficit was not caused by this competition, I want to submit that it was due firstly to the capital expenditure ; secondly, the deficit was due to the top-heavy administration ; and, thirdly, it was due to the fact that the advice and opinions of the Members of this House were not given any heed to.

At the same time, Sir, the owners of buses run their buses in a very economical and businesslike manner, while the Railway Companies will require the services of a very large staff to supervise their working. They are sure to require a booking clerk, a ticket examiner on each bus, and so on. This means that their expenses will naturally go up and their administration will become very expensive, while, on the other hand, private buses run without any booking clerk or a checker, and the driver of the bus performs all the necessary duties. So, Sir, in my opinion, it will not be of any use for the Railway Board to adopt this measure. However, I am thankful to the Honourable Member in charge for his readiness to circulate the Bill and, therefore, without going into details, I move that the Bill be circulated for opinion.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : Will the Honourable Member specify a date within which opinion should be obtained ?

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR : I suggest the 2nd January.

MR. M. MASWOOD AHMAD : I am agreeable to that date.

MR. B. DAS (Orissa Division : Non-Muhammadan): Sir, I am very grateful to the Honourable Member for Railways for anticipating our wishes on this side of the House and agreeing to circulate this Bill for eliciting public opinion. Sir, when I read the Statement of Objects and Reasons I was astounded. Only a few minutes ago I put a few supplementary questions to the Honourable the Railway Member as to why is it that the Federation of Indian Chambers and the various Indian Merchants' Chambers are treated in a step-motherly fashion by the Government of India. The reply is given here in this Statement of Objects and Reasons. It seems the Associated Chambers of Commerce of India and Ceylon sometimes thought of a good business bargain and addressed the Government of India. Whether they want to sell more petrol or more motor cars I do not know. I think it is both ; that is, they want to sell more motor cars as well as more petrol. They write to the Government of India, and the Government of India without consulting the interests of the Indian merchants who have a definite and very much larger stake in the country patronise the Associated Chambers of Commerce and proceed to amend the Railway Act. Sir, I do not know whether the railways will profit ; I will discuss later on how far the railways will benefit or lose. But I want again to point out to the Government the inequity and the injustice which they show from time to time to the Indian Merchants' Chambers. I refer to the Communal Award which was issued by the Prime Minister with the concurrence of the Governor-General in Council ; and what do we find ? The seats that have been allotted to the Indian Chambers of Commerce are very disproportionate. In Madras the European industries get 4 seats and

the Indian industries get only 2 seats ; in Bengal the Indian merchants get only 5 seats while the European Chambers get 14 seats ; in the United Provinces 2 seats go to the Europeans while only one goes to Indians.

SIR COWASJI JEHANGIR (Bombay City : Non-Muhammadan Urban) : Which clause of the Bill is the Honourable Member talking about ?

MR. B. DAS : I am talking on the general principles involved in the Bill and my friend, Sir Cowasji Jehangir, who was an Executive Councillor in Bombay, knows that one can talk on general principles when one discusses a Bill.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : How do these remarks arise on a general consideration of the Bill ?

MR. B. DAS.—It arises out of the Statement of Objects and Reasons, because Government are influenced by the Associated Chambers of Commerce and not by the Indian Chambers.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : The Honourable Member can deal with the subject in a general way within the limits of the Bill.

MR. B. DAS : Yes, Sir. I find that in Assam, the European merchants get 8 seats while the Indian merchants get only 3 seats, and, in Bombay, without Sind, the Europeans will get 4 seats and the Indians 3 only. Sir, when my Honourable friend, Sir Cowasji Jehangir, who is an industrial magnate in Bombay, read the Communal Award and found that his own industrial community has been relegated to a secondary position, he must have burnt with rage. The only thing is that he is a pacific man and he does not lose his temper ; he controls himself. But I cannot control myself. I was going to tell the Honourable the Commerce Member that this step-motherly attitude of the Honourable the Commerce Member and of the Government of India is the root cause of all the troubles in India.

Now I will deal with the merits of the Bill. It is true, in England where there is a national Government and where the railways are national, they have established a Road Board and they have accepted the principle that the railways should run motor buses. Newspapers gave out that the Government of India recently appointed a committee of inquiry, that Mr. Mitchell, the Roads Engineer, and a representative of the Railway Board, should inquire into this aspect of the question. The Honourable the Commerce Member has not said anything about.....

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR : I did ; my Honourable friend was not here when I pointed out what that committee had to do.

MR. B. DAS : I am glad my Honourable friend pointed out ; but mere pointing out will not do. Those results must be published and circulated to the different Chambers of Commerce.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: That is also what I said.

MR. B. DAS : Then, I think my Honourable friend, Sir Lancelot Graham, advised him wrongly when he asked that this Bill should be passed ; the draftsman of the Government of India went wrong when he advised that. The only thing is that there are certain points which not only the Chambers of Commerce should take note of, but also Provincial Governments should take note of. The Honourable the Commerce Member knows it—as being the Leader of the House—how the policy of the Government of India is to starve the provinces. To-day if this House permitted the railways to run motor buses, the roads will have greater wear and tear. Will the Government subsidise the Provincial Governments to have better roads ? I think my Honourable friend, the Finance Member, will come down on the Commerce Member and will say " No more money ; no subsidy to the provinces ; let the provinces go to hell as there is no money in the Central Government for better roads." That is one aspect of the point that must be taken note of.

The other aspect is this : As my Honourable friend, Mr. Maswood Ahmad, alluded, various private firms have come out with cheap means of transport carrying passengers at a very cheap rate. Will the railways do that ? They will start cut-throat competition ; they may be State-owned ; when they are Company-managed, they are owned by British capitalists and they will imitate my Honourable friend, Sir Leslie Hudson, there and enter into cut-throat competition on the example of the shipping companies and they will start cutting rates in order to drive out all these small Indian motor bus companies ; and what will be the result ? Lakhs and lakhs and even crores of rupees have been sunk on these motor buses and these Indian motor bus companies will go to the wall ; and will the railways be able to administer and finance them ? All of us know what the present state of the Railway Finance is. It is in a very bad state and to-day if this House were to authorise the railways to start on a new venture to buy motor buses, what will they do ? They will buy the costliest makes ; probably they will order a firm like the Rolls Royce to supply them with chassis so that when the Honourable the Commerce Member or the Honourable the Finance Member travel on those buses, there may be no jolting. We know the tradition of the Railway Board. It is an extravagant body ; and when the Railway Retrenchment Committee, presided over by my Honourable friend, Mr. Shanmukham Chetty, have recommended that the mismanagement of railways is so bad that an expert committee is necessary to sit and inquire into the technical management of railways here, my Honourable friend actually brings out a Bill and asks us to give sanction, so that the railways could go into new ventures. I am glad the Honourable the Commerce Member has anticipated our criticism to a certain extent. I have to request him also to ascertain the views of every Provincial Government as to the additional cost of road maintenance, and also from his colleague, the Finance Member, whether he will, if the railways adopt this policy, give the necessary amount of money for the better upkeep of roads which are mostly provincial. If those conditions are satisfied, when the Bill comes again for discussion in the House, I may consider whether I can give assent to such an Act.

MR. W. B. HOSSACK (Bombay : European) : Sir, I rise to support the motion which proposes to circulate this Bill for further opinion. Whilst gladly accepting the principle of the Bill, its only clause of any import seems to have been rather hurriedly drafted or, what is perhaps more likely, with intent to arouse discussion on the scope of application to be permitted, under the Bill. Now, there should be nothing to prevent railways operating road buses as feeders to their systems. Where no efficient or adequate road motor service system exists connecting railway stations with villages in the interior, this would be a legitimate rail-borne extension. But there is such a thing as legitimate road-borne traffic, as some Honourable Members have already pointed out. For example, take a produce market, say, nine or ten miles from a town, the road thereto running parallel to the railway. This would be legitimate road-borne traffic because you cannot expect this to be transported from the farm to the railhead in the first case, taken by the railway into the town, and then transported again by road to the market. It is much cheaper and much more convenient to take this by road. We find in the Statement of Objects and Reasons the words " running parallel to its railway line." These words rather perturb me. Beyond a certain mileage traffic on roads parallel to railways naturally belongs to the railways ; but as I have already pointed out this short-distance parallel road traffic should not be driven back to the railways on any account whatsoever. The danger here lies in the fact that the railways may start competing with this short-distance traffic and ultimately drive them off the road, and if successful in driving them off may in turn withdraw their road services and force the public back to the railways.

With such danger ahead, I feel that the one real clause of this Bill requires considerable enlargement to cover this point and a clearer definition must certainly be made of the word ' area.'

MR. MUHAMMAD MUAZZAM SAHIB BAHADUR (North Madras : Muhammadan) : Sir, with regard to the circulation of this Bill, I do not think much need be said, except that the report of the Committee which has been appointed by the Government of India to inquire into the co-ordination of the railways with road traffic should be awaited and that this subject should be brought up after the report of that Committee is placed before the House,

so that, in this case, a date need not be fixed and it may be left to the discretion of the Government of India to fix a suitable date after that report is received.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: I may at once assure the Honourable Member that the report will be published about the end of November, if not before.

MR. S. C. SEN (Bengal National Chamber of Commerce: Indian Commerce): Sir, I would not have troubled the House, but I should like to know one particular thing. What would be the position of the buses to be run by the Railways as compared with the position of the private-owned buses which are now plying? Of course, the railway buses will compete with private buses, but that competition ought to be on fair and equitable lines. I should like to know what would be the legal position of these buses, so far as their liabilities are concerned, whether they will be governed by the Railway Act or by the Carriers' Act. The buses that run on the public roads are governed by the Indian Carriers' Act, and as such the Government know that the position of the public buses is practically that of an insurer. I should like to know something about the legal position of these buses, and that point should be brought before the public.

DR. ZIAUDDIN AHMAD (United Provinces Southern Divisions: Muhammadan Rural): Sir, the object of this Bill is that the Government or the Railway Department desire to get power to extend their business and not only carry passengers and goods by rail, but also by means of other vehicles. The term 'vehicles' is not defined in the Bill, and it may include motor service; it may possibly include steam service, and it may be extended even to aeroplane services. This is a question of principle that is the extension of this business. Sir, everyone who is engaged in business, would realise that no losing concern would ever care to consider even for a single moment new propositions for extension of business. My proposition is that our Railway is a losing concern, and this is not a proper time even to think of extending the business. With regard to my statement that our Railway is a losing concern, I may remind the Honourable Member for Railways that he has borrowed money at an average rate of 5.7 per cent. while his earning from Railways is only 4.6 per cent. May I also remind him that he has to pay 34 crores of rupees in interest for the capital he has borrowed, and that he is so much in debt that he could not pay the one per cent. to the general revenues according to the convention of 1924. As a member of the Standing Finance Committee, Sir, I think I can certainly haul up the Honourable Member before any court for the non-payment of that debt, and for failure to fulfil the promise which he made in 1924 to this Assembly for paying 1 per cent. of the capital at charge, and it comes to about 5.75 crores.....

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: When the case comes in court, I shall be a counsel.

DR. ZIAUDDIN AHMAD: Thank you; but unfortunately, the Government, by their own majority, obtained the consent of the Assembly that this sum should be written off.

MR. B. DAS: As a Member of the Railway Retrenchment Committee, why did you not point it out?

DR. ZIAUDDIN AHMAD: I drew their attention to this fact. I may also remind the House that two years ago, the Railway Department had a balance of 15 crores in their Reserve Fund and about 15½ crores in the Depreciation Fund. During the last two years, the whole of their Reserve Fund has gone. They are now drawing from their Depreciation Fund, and we were asked by supplementary grants to give them money to meet the ordinary deficits in the running expenses of the Railway Department.

Sir, may I also remind the Honourable the Commerce Member that the administration of this Department is not a profitable one. During the last seven years we spent 165 crores of rupees in capital expenditure. Out of these, 113 crores were spent in undertakings which yield no revenue whatsoever, like the railway stations at Lucknow and Cawnpore, and 42 crores were spent in undertakings which yield an income of only one per cent. The

Honourable Sir Alan Parsons, in reply to a question of mine, gave me a pious hope that in future these undertakings will probably yield a better income, but this is only a pious hope, and when the railway lines, which have been running for a very long time, do not yield more than 4.6 per cent. how is it possible for the lines which were built only recently to show an increase from one per cent. to any appreciable figure ? Therefore, Sir, I want to point out that the Railway Department is a losing concern. They owe money right and left ; they find it exceedingly difficult to meet their liabilities, and so this is not the right time for them to think of extending their business in any direction.

Sir, the second point which I want to point out is that all schemes which they have brought forward during the last few years have been failures, and I can give the House illustrations after illustrations. I would draw the attention of the House to the question of the separation of accounts from audit. The Assembly was made to believe that this would be a paying concern. Figures were quoted and Resolutions were passed to the effect that it will pay in the long run to separate the accounts from audit. Mr. Aney, in 1928, and my friend, Mr. Neogy, pointed out that such an experiment was an extravagan e, but at that time it was supported by Mr. Chetty, though I am glad that Mr. Chetty has modified his opinion, and, as President of the Railway Retrenchment Committee, he himself said this :

> " Consequently we cannot escape the conclusion that the optimism of the framers of the estimates of the final results of the separation when they expected a saving in direct costs of the Accounts and Audit Department has been far from being justified.... "

We find that the cost of Accounts and Audit Department in 1926-27 was 8.58 lakhs, and it jumped up in four years from 8.58 lakhs to 19.80 lakhs, that is, about 2½ times the expenditure. Therefore, the scheme which they presented before us about the separation proved to be a failure.

I will now give a second illustration about the scheme of the Railway Mining Colliery. I ask the Honourable Member to tell me whether it is or it is not a paying concern. I have been repeatedly demanding that the balance sheet of this work ought to be laid before the House and before the Railway Finance Committee, but I have never seen any balance sheet of this undertaking, and I do not think whether the Railway Board themselves know whether it is a paying concern or not. The income and expenditure are mixed up with the income and expenditure of the whole budget, and no separate accounts are shown, and, I am afraid, if they start this motor service, it may not be a paying concern, but they will mix it up with the general income and expenditure and will never say whether it has been profitable or not. Sir, in this case they will incur capital expenditure and then they will call for tenders. Probably we shall have an opportunity of discussing the question for tenders later on in this House. I have got illustrations after illustrations—I do not wish to waste the time of the House by going through them to-day—in which people offering better terms and persons of approved ability and of approved experience were not given the contracts and they were given to persons who demanded higher rates and who had never been tried, for reasons which I should not like to mention but as to which, everybody can draw his own inference. I have drawn the attention of the Railway Board to those illustrations. I pointed out to them the facts and figures, I was referred to one particular individual, and I referred these questions to him, but he did not listen to them. These matters will come in the shape of questions in the Assembly as, I understand, Bhai Parma Nand has already given notice of some of these questions in connection with certain contracts.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : In view of the fact that the Bill is going to be circulated, I should like to ask the Honourable Member whether it is desirable that he should go so elaborately into details.

DR. ZIAUDDIN AHMAD : I do not want to enter at this stage into any elaborate discussion, but I have got several illustrations, and I gave only one, and I now take up another point now.

If the Railway Board started a motor service, they would enter at once into what is called the rate-war. They have got bitter experience of it in 1891-92 when they had to face rate-war, and, I am afraid, that as soon as they start this motor service, the rate-war will again begin. In disgust they will give up their motors, their steam ships and their aeroplanes to some person for nothing as they did in 1891-92 and all the capital that will be spent in purchasing these articles will practically be wasted. Therefore, I would request the Honourable Member to point out to all the persons who will be asked to give their opinions, when the Bill is circulated, that the railways are a losing concern at present, and point out also the results of their various undertakings during the last few years.

RAJA BAHADUR G. KRISHNAMACHARIAR (Tanjore *cum* Trichinopoly : Non-Muhammadan Rural) : I have got only one observation to make regarding the Bill under discussion, in addition to what has fallen from previous speakers. I find in the Statement of Objects and Reasons that smaller lines have been put to a great loss and it is to supplement their income that the Bill is brought forward in order to enable them to make more money. Now, I am not aware if the Honourable the Commerce Member has taken the trouble to compare the time-tables prepared by these smaller railways in the south of India. In the course of my peregrinations in the south Indian villages it has been my misfortune to travel over these smaller railways and what has happened is this. As if to spite you, as if to spite the passengers, one train comes and, before it stops, another train gets away passing your train, and you cannot get another train for the next three or four hours. What these motor companies did say, was this, "All right, we shall take advantage of this." They buy a small bus—a Ford bus or anything like that—and they carry passengers to another junction where the train will stop, and thus enable passengers to catch the other train and go on to their destination. I do not know why they do it. If you take any Branch Railway line down in south India, it looks as if somebody took particular care not to bring one train to join the other and enable passengers to get into it. We want to get to our destination somehow but the Railway Company won't allow us to do it. You write a complaint—there is a printed form saying that complaints will be attended to. No further reply comes. How it has been attended to, no one knows. You write a letter again. You are supposed to be troublesome and the thing is never attended to. Consequently, I would suggest that the timings of the trains should be so made that one train may catch another, and I assure the Honourable Member that, in that case, in out-of-the-way villages buses will cease to run. As regard rate-war, observations have already been made and I do not want to add to them at this stage.

MR. K. C. NEOGY (Dacca Division : Non-Muhammadan Rural) : When my Honourable friend, the Raja Bahadur, was speaking, I was reminded of similar speeches which I had read in the official proceedings of the House of Lords and the House of Commons, when they had to deal with the Railway Companies' (Road Transport) Act of 1928, by which Act, for the first time, four of the British Railways were given what are called "road powers," that is to say, authority to own and run their own bus services. Complaints of the nature which have come from my Honourable friend, the Raja Bahadur, were freely given expression to in those debates, and, I daresay, that if a similar line were to be permitted at this late hour in this House, very many of us could relate our own personal experiences which would give support to the point of view put forward by the Honourable gentleman. There is a good deal of truth in what the Honourable gentleman has said, because I personally have also felt on occasions that the railway official—the average railway official—thinks that he is conferring a great favour upon the travelling public by allowing them to travel by the railways. Now, Sir, I am sure, this feeling is shared by a very large number of non-official Members on this side. I would particularly ask the Honourable Member in charge to look into these grievances and find out as to whether it is not due to certain laches of the railways themselves in the past that they are faced with this road competition to a very large extent—it may not be that road competition would not have come even if the railways were quite up to the mark, but still there is a good deal of truth in what the Raja Bahadur has said, and if the railways were a little more circumspect and a little more careful about the comforts of the passengers and their conveniences, the serious situation that has arisen would not perhaps have arisen.

Now, Sir, I have a good deal of sympathy with the observations made by the Honourable Member who spoke on behalf of the European Group when he said that this Bill reveals marks of having been rather hurriedly drafted,—I do not wish to use a harsher expression, but the words "perfunctorily drafted" were almost coming to my lips. Hardly a day passes when we are not reminded of the very distinguished qualities possessed by the Honourable Member in charge as a public man, as an administrator, and as what not..(*An Honourable Member :* "A lawyer.")..and I must give expression to a sense of disappointment at the manner, the perfunctory manner, in which this Bill has been drafted. I should have expected my Honourable friend, a keen and competent lawyer that he is of very wide reputation, that he should have hesitated before putting his signature to this Statement of Objects and Reasons. (*Mr. B. Das :* "Blame the Draftsman.")

Sir, this is a very short and simple Bill, at least it looks to be a very simple one, and my complaint is exactly on that score. It seems to me that the ordinance mentality is pervading all the various Departments of the Government (Cheers from the Nationalist Benches) and the measures of legislation that are at present being drafted bear that out. They must be very short, they must be very comprehensive, they must give unconditional powers—"unconditional" is the expression that has been used, I find, in the Statement of Objects and Reasons, which says :

> "……that the railway companies referred to in section 51 may own and operate *unconditionally* road motor services……"

That is the object of this particular measure.

Now, Sir, I have not got the English Act—the Railway Companies' (Road Transport) Act of 1928—because it is technically classed as a "private" legislation and, therefore, it does not find a place in the collection of public Statutes which are to be found in our Library downstairs. I daresay, my Honourable friend has got a copy with him even now. Will he kindly look at that particular Act and tell me how many sections that particular measure contains ? Is it not replete with safeguards, with exceptions, with provisions for inquiry, with provisions for complaints with regard to rates and fares and all sorts of things, and will the Honourable Member get up in his seat and tell me as to why is it that all these provisions were overlooked by him and his Department when this particular Bill was drafted ? I am fully prepared to go into all the details of the provisions of that measure, as far as I could find them from the debates of the House of Lords and the House of Commons, but I do not think it will be very much appreciated at this hour.

MR. B. DAS : The Law Member is not here to appreciate your points.

MR. K. C. NEOGY : There was a Joint Parliamentary Committee appointed to examine the provisions of that Bill which was originally initiated in the interests of the L. M. S. Railway in England and the Joint Parliamentary Committee sat for no less than 37 days in taking evidence of all the parties concerned before they reported in favour of that measure. Now, I want my Honourable friend to tell the House as to what corresponding opportunity the Government propose to give to the interests concerned in placing their views before this House. We have been assured that two officers have been told off on this particular duty. They are touring all over India, conferring with Local Governments, but I want to be assured that the interests that will be affected by this measure will have as ample an opportunity as they had in the case of the English Statute.

Now, Sir, I do not want to go into the details of the English Statute at all, but I would just point out one particular fact. The apprehension, which was in the minds of British legislators when this particular measure was under consideration, was that if two rival methods of transport were to be united under one control, it might lead to the creation of a very powerful monopoly ; and, in disposing of that apprehension, apart from providing safeguards and exceptions of all kinds and provisions for inquiry and other restrictions, there is one particular factor which was borne in mind by the British Parliament. The evidence, which the Joint Parliamentary Committee had collected, showed that there was

a very large system of omnibus services throughout the country, a system almost as large as the system of the Railway Companies, with very powerful financial and other interests linked together, and they came to the conclusion that, in view of this particular circumstance, it would be extremely improbable that such a powerful organization of the omnibus services in England could be displaced without a fight. Now, I want my Honourable friend to tell this House as to whether that particular condition is satisfied in this country. Those of us who have to travel between Kalka and Simla will be able to bear me out when I say that in many instances it is the owner who is also the driver. The owner-driver puts on a solitary bus on the road. Does my Honourable friend think that such a person would be in a position to fight the powerful interests of a Railway Company ? Now, that is a very serious aspect of the matter and I very much hope that this question will be gone into when the Bill goes out for circulation.

Now, there is one other matter referred to in the Statement of Objects and Reasons to which I want to turn. It is assumed, that is how I read it, that so far as the State-managed lines are concerned, they are under no disability of any kind. They have the authority to have their own motor bus service, if they like. I daresay, the Government have been advised by their Legislative Department on this particular point, but what about the Company-managed lines themselves ? The section of the Indian Railways Act, which this Bill seeks to amend, applies to certain railway lines. Now, the other statutory enactment which governs the Indian Railways is a British enactment. It is the Indian Guaranteed Railways Act of 1879. Now, the Act contains a section corresponding to the particular section which is sought to be amended by this particular Bill. It is almost in similar terms. I need not trouble the House with the terms of that particular section, but what is material is that that particular section applies to several railway concerns. Some of them have been turned into regular State-managed systems, but there are others which still continue as Company-managed lines. Now, the question that arises is this. If this amendment is accepted, a Company-managed line like the Bengal and North-Western Railway, and there are other Company-managed lines like that, will have the authority to have its own bus service.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: No. As a matter of fact, Mr. President, the railways which are running under a statutory authority can be given this power only by virtue of Parliamentary Statute or an amendment. This Bill will not apply to Company-managed lines. It will not apply to State-managed lines. As a matter of fact, it applies only to a certain number of small concerns many of which are private in character.

MR. K. C. NEOGY: I am very glad that I have been corrected in this particular matter, but I should have been more glad if this particular Bill was specific in character, exactly in the same manner as the British Statute is specific. The British Statute applies to four British Railways. Originally the intention was to give the benefit of this particular power to five, but one was dropped out as a result of the inquiry made by the Joint Parliamentary Committee. And if my Honourable friend is really anxious to benefit certain specific small lines, then the better course for him would have been to name those particular lines instead of leaving it to the discretion of Government as is proposed to be done.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: They are over 50 in number.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): How long will the Honourable Member take ?

MR. K. C. NEOGY: I will finish in a very few minutes. When I was referring to the Company-managed lines, I was led to make those observations because of the manner in which the Statement of Objects and Reasons has been drafted. The Statement of Objects and Reasons says this:

> "Section 51 of the Act does not apply to State-managed lines and such lines, therefore, are under no legal disability in the matter of owning and operating road services."

Now, Sir, I really do not understand how is it my Honourable friend says, or how is it that he expects this House to conclude from this, that this particular provision is not for the benefit of all Company-managed lines.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: Read the first sentence of the Statement of Objects and Reasons.

MR. K. C. NEOGY: The first sentence reads thus:

> "Under the existing sub-section (*e*) of section 51 of the Indian Railways Act, 1890, a railway company which is not one of the guaranteed companies.....may with the sanction of the Governor-General in Council provide and maintain, etc."

Now, I was exactly coming to that point. I am sorry my Honourable friend interrupted me when I was developing this particular point. Now there are Company-managed lines like the Bombay, Baroda and Central India Railway, the South Indian Railway and the Madras and Southern Mahratta Railway. Is it the contention of Government that, so far as these lines are concerned, they do not stand in need of starting any motor bus service to compete with the existing services ?

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: If Parliament will make that amendment ?

MR. K. C. NEOGY: I was going to point out the distinction that my Honourable friend's amendment is raising between certain Company-managed lines and certain other Company-managed lines. That is why I was saying that this is a sort of half measure. You should go into the matter thoroughly and find out exactly which are the particular lines that need this kind of help; and either make your legislation specific with regard to them, or if you want to have uniform legislation for all the Company-managed lines, because I see from the Statement that the State-managed lines do not stand in need of legislative assistance, then take some means of placing all the Company-managed lines on the same footing. Now, Sir, there is one other point which I wanted to raise in this connection. The British Statute gives certain kinds of relief to certain local authorities. If, for instance, a local authority finds that the rates and fares charged by any omnibus service owned and conducted by a railway are not reasonable, they are competent to complain before several authorities, one of them being the Rates Tribunal. I want my Honourable friend to examine this particular question and consider as to whether he is prepared to give any relief, any forum before which the aggrieved party could go in regard to these matters, and whether he is prepared to arm the present Railway Rates Committee with that authority which the corresponding body in England possesses in this particular.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: Mr. President, I had not originally intended, in view of my assurance that this Bill will be circulated for the purpose of eliciting public opinion, to speak at all, and certainly not to speak at any length, but I think I shall be wanting in courtesy to Honourable Members, who have put forward various points of view, if I do not indicate very briefly my answers to the various queries propounded here. In the first place, let me deal with the somewhat trenchant criticisms of my Honourable friend, Mr. Neogy. He has sought to smite the Government hard and I must say that I emerged or rather ought to have emerged very much shaken from the onslaught, but it may be permitted even for such a victim to say a few words by way of defence or justification. The reason why this measure is not more comprehensively drafted than it has been is not due entirely to these qualities of perfunctoriness and legal negligence which were attributed to us. They were due, I submit, to the circumstances attendant upon this Bill itself and its scope. Let me again point out that this Bill has no application to the State-managed Railways. Therefore, a large class of these administrations are out of the ambit of the Bill and also, as it has been observed by the honourable Member himself, this Bill does not advert to and has no reference to those Companies operating under Parliamentary Statutes. The residue, therefore, on which this Bill can operate, can only be certain Companies of a comparatively small jurisdiction who find that their work and their finances are severely handicapped by reason of the competition which is referred to. I may, with reference to another remark which fell from the Honourable Member, say that

this Bill, if it receives legislative sanction and is passed into law, will be then a kind of jumping-off ground so that we may approach Parliament in order that they may proceed with reference to those lines in regard to which Parliamentary sanction or Parliamentary legislation is necessary. As has been pointed out in the Statement of Objects and Reasons, so far as the State-managed Railways themselves are concerned, we are advised that no legislation is necessary. This, I may submit, is the only reason why this Bill does not proceed to such elaborate details as the English Statute to which reference has been made, and this also is my justification of the defence for what has been characterised as the ordinance method of legislative approach. Then, my Honourable friend, Dr. Ziauddin Ahmad, was at great pains to demonstrate how bankrupt the railway administration was both in the matter of administrative efficiency and in the matter of its actual finances. He was anxious also to warn this House and the country at large that no greater powers and no extension of jurisdiction should be granted to a body which has proved itself so unworthy. Dr. Ziauddin's varied talents have been utilised consistently for the purpose of improving the railway administration according to his lights and it was rather uncharitable on his part to have indulged in those remarks. But at the risk of being very disrespectful, may I indicate that practically all the remarks that he made were irrelevant and beside the point, because whatever the manifold sins of commission and omission of the Railway Board may be, the bulk of the Companies comprised within the scope of this Bill have nothing to do either with the State or the Railway Board. Therefore, those very valuable and illuminating remarks on the financial administration of the railways, though they may be placed on record for other purposes and may be very usefully referred to on other occasions, may be put out of the picture on this particular occasion.

MR. K. C. NEOGY: Does the Honourable Member admit the accuracy of the statements ?

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: My Honourable friend is a sufficiently acute person to realise that it is unnecessary to controvert the accuracy of a statement when its relevancy itself is in question. Then, my Honourable friend, Raja Bahadur Krishnamachariar, referred to the troubles by which he has been beset in the course of his travels in the south of India. May I point out that, while I realise that he is a large landholder in the South of India, he is also very closely connected with His Exalted Highness the Nizam's State and it has introduced this particular departure which we are now asking for.

RAJA BAHADUR G. KRISHNAMACHARIAR: Wait until the result is known.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: One cannot always wait for the results being known before taking necessary action.

Then, Sir, a question was put to us about the Carriers Act and the application of the Carriers Act. My only answer is this, that so far as I can see—and I am not speaking here as a Law Member but as a lawyer temporarily out of work—in all probability the Carriers Act would apply in regard to buses run by the Railway Companies, steamers run by them are not presumably governed by the Railways Act. Then, finally, I come to the very comprehensive denunciation of my Honourable friend, Mr. Das. He pointed out that the Statement of Objects and Reasons says that the Associated Chambers of Commerce passed a Resolution and the Government began its work of codification immediately. My answer to this is that we have in our possession a number of representations received from *bona fide* Indian agencies also asking for action. But, as I have stated, it will be Government's endeavour to get opinion all round, Indian and European, and to act on the basis of the majority opinion so collated and gathered. Mr. Das' artillery has, therefore, been wasted.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): The question is :—

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 2nd January 1933."

The motion was adopted.

Copy of letter No. 2287/193, dated the 29th November 1932, from the Association to the Deputy Secretary to the Government of Bombay, Public Works Department, Irrigation and Railways.

Subject:—THE INDIAN RAILWAYS (AMENDMENT) BILL.

I am directed to refer to your letter No. 7057/27 Ry., dated the 19th October 1932, inviting the Association's views on the proposal to amend sub-section (*e*) of section 51 of the Indian Railways' Act (1890), and to say that my Committee support the proposed amendment in so far as it seeks to extend to Company-owned railways the right possessed by State Railways to own and operate road motor services in areas served by their railway.

My Committee, however, feel that the solution of the problem of competition between Company-owned railways and private motor transport companies does not appear to lie in the direction indicated by the proposed amendment of the law. Few railway companies with their higher administrative and overhead charges would care to avail themselves of the powers which the amendment seeks to give them and enter into competition with private motor transport companies which, in many cases, have much lower operating costs and make little or no provision for adequate repairs or depreciation.

My Committee would, in the circumstances, like the Government of India to consider the advisability of establishing a Transport Board on the lines of the Road Transport Board in England with a view to devise ways and means for the elimination of unhealthy competition and for the ultimate co-ordination of the more important rail and road services of the country.

APPENDIX 39.

TREATMENT OF RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

Copy of letter No. 9712/D, dated the 21st September 1932, from the Deputy Secretary to the Government of Bombay, Finance Department, to the Association.

Subject:—TREATMENT OF RAILWAY RECEIPTS AS NEGOTIABLE INSTRUMENTS.

I am directed to forward herewith a copy of letter No. 3320-T, dated 1st August 1932, from the Government of India, Railway Department (Railway Board), on the subject mentioned above, and to request that Government may be favoured with the views of your Association on the proposal contained therein.

2. A copy of paragraph 283 of the Report of the Indian Central Banking Enquiry Committee is enclosed herewith for ready reference.

Letter from the Government of India, Railway Department (Railway Board), No. 3320-T, dated the 1st August 1932, addressed to the Secretary to the Government of Bombay, Public Works Department.

Subject:—PROPOSAL THAT RAILWAY RECEIPTS SHOULD BE NEGOTIABLE INSTRUMENTS.

I am directed to refer you to paragraph 283 of the report of the Indian Central Banking Enquiry Committee, 1931, in which the Committee recommend that railway receipts should be placed by the Legislature on the same footing as bills of lading, and that they should also be made negotiable. I am to request that with the permission of His Excellency the Governor in Council, the Railway Board may be furnished with the views of the local Government, in consultation with local commercial interests concerned, on the recommendation of the Indian Central Banking Enquiry Committee.

2. I am to add that the Board are also addressing the Federation of Indian Chambers of Commerce and the Associated Chambers of Commerce for an expression of their opinion.

Copy of paragraph 283 *of the Report of the Indian Central Banking Enquiry Committee.*

283. The subject of railway warehouses leads us naturally to a consideration of the question of railway receipts, i.e., receipts granted by the railways for the transport of goods from one place to another. In connection with the marketing of produce, we have referred to the use to which these railway receipts are put. They are either attached to the *hundis* or drafts on the purchaser of the goods, or are sent to the consignee to enable him to raise an advance on the security of the receipts with which to pay the *hundis* or drafts when they arrive. At present these receipts are not negotiable or transferable. They do not give either a full or a correct description of the goods. They are not also in the same position as bills of lading as, with the passing of the Indian Contract Act, the provision of the Factors Act making pledge of documents of title to goods equivalent to the pledge of goods has been abrogated. The decision* of Justice Waller of the Madras High Court clearly enunciates that banks do not get safe security in the shape of a railway receipt which is endorsed to them. Without going into all the legal complications involved in the interpretation of the sections of the Indian Contract Act and the new Sale of Goods Act, we recommend that a railway receipt should be placed by the Legislature on the same footing as a bill of lading. This will dispense with various devices that have been suggested to make the railway receipt a valid security, such as the pledgor addressing a letter to the railway company advising the company that he has transferred his interest in the goods to a bank, the bank in forwarding the pledgor's letter instructing the railway company to hold the goods to its order and the railway company being prepared to accept such instructions. We also recommend that railway receipts be made negotiable and that the railway authorities should issue instructions that the receipt should give as full a description as possible of the goods covered by it.

Copy of letter No. 1955/186, *dated the* 11*th October* 1932, *from the Association to the Deputy Secretary to the Government of Bombay, Finance Department.*

I am directed to refer to your letter No. 9712/D, dated 21st September, enclosing copy of a letter from the Railway Board, regarding the proposal made by the Indian Central Banking Enquiry Committee that a railway receipt should be placed on the same footing as a bill of lading and made a negotiable instrument.

My Committee are of the opinion that, in view of the fact that a railway receipt is now recognised as a document of title for all practical purposes, it should be given a status equal to that of a bill of lading and made a negotiable instrument. My Committee also agree with the recommendation made by the Banking Enquiry Committee that if railway receipts are to be made negotiable, railway authorities should issue instructions that the receipt should give as full a description as possible of the goods covered by it.

APPENDIX 40.

BESETTING AN INDUSTRIAL ESTABLISHMENT FOR COLLECTION OF DEBTS.

Copy of letter No. 3148, *dated the* 1*st*/4*th October* 1932, *from the Director of Information and Labour Intelligence, Labour Office, Bombay, to the Association.*

Subject :—PROPOSAL OF THE ROYAL COMMISSION ON LABOUR THAT BESETTING AN INDUSTRIAL ESTABLISHMENT FOR THE PURPOSE OF COLLECTING DEBTS SHOULD BE MADE A CRIMINAL AND COGNIZABLE OFFENCE.

I am directed by Government to forward herewith for your information a copy of the Government of India, Department of Industries and Labour, letter No. L-3013, dated 27th August 1932, on the above subject and to request you to furnish this office with the views of your Association both on the Commission's recommendation and on any other methods

* Judgment delivered on the 7th January 1930 in Official Assignee of Madras *versus* Mercantile Bank of India.

which may appear desirable for dealing with the evils to which reference has been made in paragraphs 2 and 3 of the letter.

2. I shall be glad if you will kindly send in your reply at an early date, at any rate not later than 15*th November* 1932.

Copy of letter No. L.-3013, *dated the* 27*th August* 1932, *from the Officiating Deputy Secretary to the Government of India, Department of Industries and Labour, to All Local Governments and Administrations.*

Subject :—PROPOSAL OF THE ROYAL COMMISSION ON LABOUR THAT BESETTING AN INDUSTRIAL ESTABLISHMENT FOR THE PURPOSE OF COLLECTING DEBTS SHOULD BE MADE A CRIMINAL AND COGNIZABLE OFFENCE.

I am directed to address you on the recommendation of the Royal Commission on Labour that " besetting " an industrial establishment for the recovery of debts should be made a criminal and cognizable offence. This is discussed on pages 235-236 of the Commission's report (extract enclosed).

2. The proposal is aimed at preventing two practices associated with the recovery of debts from industrial workers. One of these, which the Commission regard as the more deplorable, is the system whereby money-lenders are permitted by some employers to enter the factory and to collect their dues before the workman receives his pay. The other, and more common, practice is for the money-lender to wait just outside the factory gate and to secure payment before the workman can part with any portion of his wages. An objection to both practices is that they tend to make the payment of interest, and the repayment of debts, the first charge on wages, the workman being forced to make disbursements on these before his necessities and those of his family are purchased. When the dues are collected within the factory, he has, as a rule, no means of resisting the deduction ; when the dues are collected at the gate, an element of intimidation not infrequently enters into the transaction. In addition to the Labour Commission, the Bengal (Report, paragraph 330) and Bombay (Report, paragraph 284) Banking Inquiry Committees have drawn attention to the use of extra-legal methods for the recovery of debts by money-lenders of this type and have recommended strong measures to deal with such practices. These have formed the subject of a separate reference to the local Governments in the Finance Department letter No. D. 2274-F., dated the 22nd April 1932. The former Committee suggested making habitual usury a criminal offence and the latter urged the use of the power of deportation for certain offenders. The Central Banking Inquiry Committee, after mentioning the latter proposal, said (Report, paragraph 123 (5)) :—

> " Where these people " (i.e., Pathans and other itinerant money-lenders) " take extra-legal steps for the recovery of their money as brought out prominently in the report of the Bombay Committee, we consider that special action is necessary for protecting the borrower from the methods employed by them. We readily support the proposals of the Bombay Committee in this matter and we hope that Provincial Governments will take early steps to deal with any such insidious menace to society."

3. The Commission's proposal does not go so far as these suggestions for it relates only to action in or near an industrial establishment ; but it appears to offer the possibility of stamping out the practice of recovering private debts at the pay-desk and of checking at least the power of the money-lender to make his demands a first charge on industrial wages. As such the Government of India are provisionally disposed to support it. But they would be glad to have the views of the local Government and of those interested in the question both on the Commission's recommendation and on any other methods which may appear desirable for dealing with the evils to which reference has been made above. I am to invite attention in this connection to the observations made by the Labour Commission on pages 224-231 and 242 of their Report which contain the general argument underlying this and the other proposals they have made to deal with industrial indebtedness.

4. I am to request that a reply to this letter may kindly be sent so as to reach the Government of India not later than 1st January 1933.

Extract from the Report of the Royal Commission on Labour in India (pages 235-236).

Subject :—BESETTING AN INDUSTRIAL ESTABLISHMENT.

* * * * * * .

The preceding paragraphs have dealt mainly with the money-lender who threatens his victim with legal proceedings and, more rarely, drives him into court. There are, however, many money-lenders who prey upon workers and depend upon the threat of violence rather than of the processes of the law. The *lathi* is the only court to which they appeal, and they may be seen waiting outside the factory gate on pay-day ready to pounce on their debtors as they emerge. Our recommendations should not be ineffective even in their case, for they are as a rule fairly scrupulous even in using intimidation, and seldom employ it to exact more than the law allows, But stronger measures are justified, particularly as the object of waiting outside the factory is to ensure that their claims form the first charge on wages. We recommend, therefore, that besetting an industrial establishment for the recovery of debts be made a criminal and cognizable offence. Besetting might be defined as loitering within the precincts or near or within sight of any gate or outlet of the establishment. This should go far to cripple the activities of a class of money-lender already generally regarded as a pest to society. It should also bring to an end the still more deplorable practice of some employers who permit the money-lender to enter the factory compound and to collect his dues before the workers' wages reach their hands.

Copy of letter No. 2063/190, dated the 26th October 1932, from the Association to the Director of Information and Labour Intelligence, Labour Office, Bombay.

I am directed to refer to your letter No. 3148, dated 1st/4th October 1932, inviting the Association's views on the Whitley Commission's proposal to make besetting an industrial establishment for the recovery of debts a criminal and cognizable offence, and to say that it meets with my Committee's approval as one calculated " to cripple the activities of a class of money-lender already generally regarded as a pest to society." My Committee would also like to take this opportunity to add that the Association has consistently set its face against the practice of permitting money-lenders to enter the mill premises to collect their dues either at the pay-desk or in the compound of the mill.

APPENDIX 41.

AMENDMENT OF THE LAND ACQUISITION ACT.

Copy of letter No. 3605, dated the 22nd November 1932, from the Director of Information and Labour Intelligence, Labour Office, Bombay, to the Association.

Subject :—BILL TO AMEND LAND ACQUISITION ACT, 1894.

I am directed by Government to forward herewith for your information a copy of the letter from the Government of India, Legislative Assembly Department, No. F. 136-1/32A, dated 29th September 1932, and copies of its accompaniments, regarding a Bill to amend the Land Acquisition Act, 1894, and to request you to furnish this office with the views of your Association thereon. I shall be glad if you will kindly send in your reply at an early date, at any rate not later than 7th December 1932.

A Bill further to amend the Land Acquisition Act, 1894, for certain purposes.

WHEREAS it is expedient further to amend the Land Acquisition Act, 1894, for the purposes hereinafter appearing ; It is hereby enacted as follows :—

1. *Short Title.*—This Act may be called the Land Acquisiton (Amendment) Act, 1932.

2. *Insertion of new Section* 38A *in Act I of* 1894.—After section 38 of the Land Acquisition Act, 1894 (hereinafter referred to as the said Act), the following section shall be inserted, namely :—

" 38A. *Industrial concern to be deemed Company for certain purposes.*—An industrial concern, owned by an individual or by an association of individuals and not being a Company, desiring to acquire land for and in connection with the erection of dwelling houses for workmen employed by the concern, shall, for the purposes of this Part, be deemed to be a Company, and the references to Company in sections 5A, 6, 7, 17 and 50 shall be interpreted as references also to such concern."

3. *Amendment of section* 40, *Act I of* 1894.—In sub-section (1) of section 40 of the said Act, for clauses (*a*) and (*b*) the following clauses shall be substituted, namely :—

" (*a*) that the purpose of the acquisition is to obtain land for and in connection with the erection of dwelling houses for the workmen employed by the Company, or

(*b*) that such acquisition is needed for the construction of some work, and that such work is likely to prove useful to the public."

4. *Amendment of Section* 41, *Act I of* 1894.—In Section 41 of the said Act,—

(*a*) after the word " that " where it first occurs, the following words shall be inserted, namely :—

" the purpose of the proposed acquisition is to obtain land for and in connection with the erection of dwelling houses for the workmen employed by the Company, or that " ; and

(*b*) for clauses (4) and (5) the following clauses shall be substituted, namely :—

" (4) where the acquisition is for the purpose of erecting dwelling houses, the time within which the dwelling houses shall be erected ; and

(5) where the acquisition is for the construction of any other work, the time within which and the conditions on which the work shall be executed and maintained, and the terms on which the public shall be entitled to use the work."

STATEMENT OF OBJECTS AND REASONS.

The Land Acquisition Act, 1894, makes it possible, where the previous consent of the local Government has been obtained, to acquire land compulsorily on behalf of companies, provided that the land is needed for a work " likely to prove useful to the public." The Royal Commission on Labour have recommended that the Act be so amended as to enable land to be thus acquired where it is needed for the housing of labour, either by companies or by other employers. They stated that, in a number of instances brought to their notice, land eminently suitable for the development of housing schemes had been held at ransom by the owners, fantastic values being placed upon it as a result of the construction of factories and other industrial concerns in the neighbourhood. The provision of adequate housing for workmen is one of the urgent needs of Indian industry, and the Bill seeks to give effect to the Commission's recommendation.

SIMLA, *the 27th July* 1932. F. NOYCE.

Extract from the Legislative Assembly Debates, Vol. IV, No. 5.

The Assembly met in the Assembly Chamber, Simla, on Monday, the 12th September 1932.

* * * * * * *

THE LAND ACQUISITION (AMENDMENT) BILL.

THE HONOURABLE SIR FRANK NOYCE (Member for Industries and Labour): Sir, I move :—

"That the Bill further to amend the Land Acquisition Act, 1894, for certain purposes, be taken into consideration."

This Bill, Sir, as the House is aware, is one of three Bills, the object of which is to implement certain minor, but by no means unimportant, recommendations of the Royal Commission on Labour, which I am commending for the consideration of the House to-day. During the course of their inquiry, the Royal Commission on Labour made very detailed investigations into housing conditions in all important industrial centres. The results of those investigations are recorded in Chapter XV of the Report of the Commission and the House will, I am sure, agree with me that the picture is not altogether a pleasant one. There was, however, one bright spot, and that was the fact that in a number of centres enlightened employers of labour have made vigorous efforts to provide housing for their workmen. The Royal Commission remark :—

"Employers' housing schemes vary greatly; some are admirable and others less so; but the worst is usually better than the best of the alternative accommodation open to the workers."

They went on to say :—

"With the best intentions, industrial concerns have been unable to provide for more than 10 to 40 per cent. of their employees, and it is unlikely that even the most prosperous industries could house all their workers without the active assistance, both financial and otherwise, of Government and municipal authorities."

The Royal Commission found, Sir, that of the three parties most interested in the problem of housing labour—municipal bodies, Government and employers,—it was the employers who had done the most and the municipalities least, though the order ought to have been the reverse. They made various suggestions on the subject which are at present under the consideration of Local Governments, but there was one in regard to which they asked the Government of India to help, and that is the suggestion embodied in this Bill. The Bill proposes that power should be given to Government to acquire the necessary building land in cases in which an employer is willing to construct houses for his employees. The Royal Commission recommended that employers who were willing to help their labour and wanted to make it efficient —for labour can only become efficient if it is housed in proper surroundings—should be given all the assistance possible and that they should not be held to ransom by fancy prices being charged for land which they wished to acquire. This Bill, therefore, is the outcome of that recommendation.

The proposal is not a new one; an identical one was brought forward by the Industrial Commission of 1916-18, and again by the Coal-fields Committee of 1920. Local Governments were consulted about it as long ago as 1922, and their replies revealed a remarkable unanimity of opinion. Some of them went so far to give it their warm approval. But for various reasons, the most important of which was that it was bound up with more controversial subjects, no action has been taken on it till now, and it was left to the Royal Commission to revive this dormant question.

It may be asked why we are bringing forward this legislation on the eve of constitutional changes as the result of which Land Acquisition will undoubtedly be a provincial subject. Well, Sir, I cannot agree, and I am sure the House will endorse my view, that constitutional

changes are any reason for postponing desirable measures of reform, and I am quite sure too that it will be the desire of this House that in this respect at any rate the Land Acquisition Act should be a model for the Local Governments in the days to come. That is all I need say about the main proposals of the Bill.

I should perhaps mention that the possibility that land acquired by employers to house their labourers may be devoted to other purposes is guarded against by the provision which Honourable Members will find in the Bill, that the houses must be erected within a specified time. Then, Sir, I should also perhaps draw attention to the fact that we propose to give power for the acquisition of land "for and in connection with the erection of dwelling houses for the workmen employed by the Company." We are, as the House knows, expanding the definition of "Company." I wish to draw special attention to those words "in connection with." They are intended to provide for the acquisition of land for drainage, sewage, open spaces and the like, for we are anxious that land acquired under these powers should not be used to erect replicas of the slums which the buildings are intended to replace.

DR. ZIAUDDIN AHMAD (United Provinces Southern Divisions : Muhammadan Rural) : Sir, I agree with the principle of the Bill, and I entirely agree that a private concern should be put on the same level as companies. I am quite willing that we should be ready to help individual concerns as much as we possibly can. But I have got a very strong apprehension in my mind which I hope the Honourable Member in charge of the Bill will be able to remove, and that is, about the misuse of the privileges which we give under this Bill. Suppose a person wishes to acquire a very valuable land in a town which he would like to use in building shops in future. He starts a bogus concern and acquires this land. He may build some cheap houses within a period of two years as required by the Act or use the houses already acquired with slight changes. Suppose after some time he closes the concern, and he uses this property as a profitable concern and builds houses thereon for lease. Therefore, some provision ought to be made as to what would happen to this property which has been acquired under this law, if the business is closed, and unless we make a provision of this kind, I am afraid that this Bill will be more misused than otherwise. Even under the existing rules, I have seen cases of misuse of the Land Acquisition Act. A rich man did acquire in a certain town very valuable property from a poor man, and he has built thereon a number of splendid shops and he is really using them for the sake of private benefit. So, unless a provision is made in this particular Bill as to what would happen to the acquired land and property when the individual concern closes down, I am afraid that this Bill will be very much misused, and I would request my Honourable friend in charge of this Bill to consider this aspect of the matter very seriously.

MR. N. M. JOSHI (Nominated Non-Official) : I am very glad that the Government of India have brought forward this Bill giving effect to one of the minor recommendations of the Royal Commission on Indian Labour. But I cannot help remarking that Government should not delay giving effect to the other major recommendations of the Royal Commission. Sir, the Royal Commission on Indian Labour has made several important recommendations. I am aware that at present there are two Bills before this House giving effect to two of the important recommendations of the Royal Commission on Indian Labour. At the same time I feel that there are others which are equally important or perhaps more important than the recommendations which are already dealt with. I may state for instance that the recommendation of the Royal Commission as regards provision for maintenance during sickness of the working class people is more important, and Government should take early steps to give effect to it. Another recommendation of the Royal Commission is as regards provision for maintenance during the unemployment of the working classes. I see that Government have taken no steps so far and I therefore feel that they should not delay any longer giving effect to the major recommendations of the Royal Commission on Indian Labour.

As regards this Bill Mr. President, I feel that it is a matter of great importance that proper provision should be made for the housing of working classes. In India the working classes are not properly housed. It is a patent fact. For instance, in Bombay more than 90 per cent. of the working class population is housed in one-roomed tenements, and if you look into other cities you will find practically the same conditions prevailing. Therefore, it is necessary that every step should be taken to improve the housing conditions of the

working classes in our country. So far as I am concerned, I feel that the duty of providing houses to the working classes in this country should be undertaken by the provincial Governments as well as by the municipalities. It is their proper function to provide houses to the working classes in the country. Unfortunately, in our country both the provincial Governments and the municipal governments have not yet adequately realised their duty towards the citizens of this country, and it is for that reason I feel that the working classes have to be content to live in the houses provided by their employers. It is not the best way of housing the working classes, namely, that the houses should be provided by the employers. I hold that it is not quite desirable that the worker should live in the house which is provided by the employer. When a worker lives in a house provided by his employer, he somehow feels that he is a workman all the twenty-four hours of the day, and he does not develop a sense of freedom to the extent to which he would do if he lives in a house provided by the provincial Government or by the municipality. I would therefore prefer working class men living either in their own houses or in houses provided by a public body, but unfortunately, public bodies do not provide houses, at least sufficient housing accommodation for the working classes. Therefore, the working classes have to be content with the houses provided by the employers. Under these conditions I think it is our duty to give facilities to the employers to acquire land whenever land is necessary for the purpose of housing the working classes. I therefore welcome this Bill. I agree with Dr. Ziauddin Ahmad that as we are proposing by this Bill to take compulsorily the land of one private owner in favour of another private owner, care should be taken that whenever the purpose of acquiring the land is not served at all, the land should either go back to the State or to the previous owner. Mr. President, I support this motion.

MR. K. P. THAMPAN (West Coast and Nilgiris : Non-Muhammadan Rural) : I am entirely at one with Government in their effort to give effect to the recommendations of the Royal Commission on Labour, but, Sir, I am afraid, this Bill goes a little further. The Royal Commission made recommendations only with regard to the housing schemes for labourers. Clause 3 (*b*) says that land shall be acquired when :—

> "Such acquisition is needed for the construction of some work, and that such work is likely to prove useful to the public."

I am only a layman and from what I understood from the speech of the Honourable Sir Frank Noyce, it is intended that such work is connected with drainage and other things connected with housing schemes. If that is so, it is better to make the section clearer. Sir, in that part of the country from which I come there are many cottage industries which may be extended and brought under what are called industrial works. For instance, in Malabar, coir making is a cottage industry. You can develop it into a big industry where hundreds of people might work. There is the fish curing industry along the sea coast. This is a cottage industry but there are also large works employing hundreds of people. If a man having a business of this kind wants to purchase another's property and the owner is not amenable to his terms, it is easy for the former to avail of this section ostensibly to build a quarter or two for his labourers or dependants and ask Government to acquire the land. He might even wind up the business after some time and continue to enjoy the acquired property. What I apprehend is that clause 3 (*b*) is likely to be abused. I am anxious to make it applicable only to particular kinds of industrial works that are likely to prove useful to the public. With regard to housing schemes connected with large factories, I agree that the proposals are reasonable and to that extent I would lend my support to the Bill.

MR. G. MORGAN (Bengal : European) : I rise to support the principle of this Bill. It is very necessary for companies—and included in companies under this new section are all industrial concerns—that they should be able to secure land without having the market held up against them when they want to build houses for their workmen. I have a good deal of experience of the acquisition of land for industrial concerns. When a question of this kind arises, it is very often found that you can acquire every bit of land except the most important part which is held up for a fancy price in the market, and therefore I support the objects of this Bill in enabling concerns and companies to secure land for dwelling houses.

With regard to what my Honourable friend, Dr. Ziauddin Ahmad, said, I also have a feeling that clause 3 (*b*) might lead to abuses, but I have no doubt that the Honourable Member in charge will be able to enlighten us on the actual meaning of that clause. With regard to what Dr. Ziauddin said about the time within which the dwelling houses shall be erected under clause 4 (*b*), what happens to the land if those buildings are not erected. One would like to know what happens to the land—whether the person who buys the land will be punished or penalised in any way. I do agree with Mr. Joshi when he said that Provincial Governments and municipalities had entirely neglected their duties in this matter. I have some experience of that also. I am told that in Madras loans are given by the Provincial Government to the municipalities in order that they may carry out building schemes for the working and labouring classes. Those are the only points I wish to make with regard to this Bill. I heartily support the principle of the Bill.

MR. A. G. CLOW (Government of India : Nominated Official) : I am very glad, Sir, to find that the Bill has received so much support, particularly from Members who do not always find themselves in agreement on other subjects and I hope that I shall be able to satisfy those Members who felt doubts with regard to certain provisions of the Bill. Perhaps I might deal first with the point raised by my Honourable friend, Mr. Thampan, and my Honourable friend, Mr. Morgan, who raised the same point, regarding (*b*) of clause 3. The answer to them is that (*b*) is only there, because the draftsman chose to put it there. In other words, it is in the existing Act. (*a*) is the new part of this, and (*b*) is the old part. The existing section, after the preliminary part, reads :—

> " (*a*) that such acquisition is needed for the construction of some work, and (*b*) that such work is likely to prove useful to the public."

What the draftsman has done is to put in a new bit as (*a*).

MR. K. P. THAMPAN : May I say that the old Act confined its scope to companies. Here you are extending it to individuals. It is, therefore, feared that the abuses might creep in.

MR. A. G. CLOW : What abuse does the Honourable Member exactly fear ?

MR. K. P. THAMPAN : The old Act empowered acquisition only for works of companies. It is intended by this Act that that privilege should be extended to private individuals also. Human nature being what it is, individuals may have ulterior motives and are apt to abuse this privilege. There is good deal of difference between acquiring land for a company of established reputation and public utility and doing it for private individuals who have not got to render an account of their conduct to any one.

MR. A. G. CLOW : I agree that there is some difference but I am not sure that I entirely agree with the view that individuals would be less scrupulous than a company.

However, there are other safeguards to which I would invite the Honourable Member's attention and also the attention of Dr. Ziauddin Ahmad who had, I think, the same fear. The case put both by my Honourable friend and Dr. Ziauddin Ahmad was that of a rather spurious concern which, in order to get hold of certain valuable land—I think Dr. Ziauddin Ahmad suggested they were getting it cheaply—pretended or purported to start a housing scheme. As regards the question of getting land cheaply, my own experience of the Land Acquisition Act does not by any means show that to be a cheap method of acquiring land and certainly there is no intention that land should be acquired on favourable terms. But the real safeguards lie, first, in the fact that this Act does not enable a buyer to acquire land as of right. It is subject in every case to the consent of the Local Government ; and without that consent, which can be refused, as I read the Act, without assigning reasons, it is impossible for the employer to proceed. I think the Local Governments can be trusted to see that cases like those put forward by the Honourable Members do not get very far. There is, however, a further safeguard in section 41 of the original Act, in which the person or company acquiring land shall be required—this is obligatory—to enter into an agreement with the Secretary of

State for India in Council to provide, to the satisfaction of the Local Government, for a number of matters. These matters include " the terms on which the land shall be held by the company." I am perfectly sure that no Local Government would allow land to be acquired spuriously which was not really wanted for the purpose professed. It can also prescribe " the time within which, and the conditions on which, the work shall be executed and maintained." So far I think these safeguards have been found adequate in practice for the acquisition of land for other purposes by companies and I see no reason why they should prove less adequate in the case of housing schemes.

My Honourable friend, Mr. Joshi, made what some think is his usual speech on every Bill connected with the Labour Commission, and suggested that we were somewhat dilatory in not putting forward all the recommendations at once. Sir, we are making progress, as I think the House will agree, at a very reasonable pace ; and I have always felt myself that to bring forward great blocks of proposals on the lines of the Labour Commission's suggestions simultaneously would defeat the purpose which I know Mr. Joshi has at heart. I entirely agree with him that there are dangers in depending on employers for houses. But experience has shown that such progress as we have made has been made to a considerable extent by employers, and we should have been in a sorry position to-day if the leading employers had not taken the steps that they have. We have got to make the best of the circumstances, and I for one in the present conditions would welcome anything that the leading employers are prepared to do towards meeting a want which, it must be admitted, is very sorely felt.

Mr. S. C. Sen (Bengal National Chamber of Commerce : Indian Commerce) : Sir, I fully support the Government in connection with the principle underlying this Bill. It is time that the acquisition of land needed by companies or by other industrial concerns for the housing of labour should be facilitated. Sir, the last speaker referred to section 41 of the Land Acquisition Act, but I doubt whether that section will apply in this case at all, having regard to the provisions made under clause 4, sub-clauses (*b*) (4) and (*b*) (5) of the Bill. Every acquisition by a company was conditional on the observance of certain conditions and the Local Government had the right to allow the land to be acquired for the purposes of a company and the company has to enter into arrangements with the Secretary of State as regards the conditions upon which the works shall be executed and as regards the conditions upon which the public shall be entitled to use the work. Here the amendment takes away that provision. So far as regards land required for the construction of houses for workmen is concerned, the acquisition is to be treated as being for a public purpose and the public are not entitled, as mentioned in sub-clause (5), to have use of the same. There are two provisions. The first provision is irrespective of whether it is for a public purpose, the Government's idea being that when a land is required for the purpose of housing workmen, that is considered as for a public purpose. The second provision which is there in the Land Acquisition Act also talks of a public purpose which has to be proved to the satisfaction of the Local Government. But in the other, no public purpose is mentioned, the housing of workmen being assumed to be a public purpose. In clause 3 (*b*), provision is made for acquisition, not necessarily for the housing of workmen, provided the work is likely to prove useful to the public. That qualification is only in the case of lands which are required *not* for the purpose of housing accommodation, you have now made in clause 3 (*a*) provision which refers to the new power which you are giving not to companies but to private individuals and private industries who require land for housing purposes. In that case you assume that it is a public purpose, and it is not necessary for the acquisition to show that it is for a public purpose or that it will prove useful to the public. Section 5 which is now in the Land Acquisition Act says that where the acquisition is for the construction of any other work, namely, for work not necessarily for workmen, there you have to show, what ? You have to give the time within which and the conditions on which the works should be executed and maintained and the terms on which the public shall be entitled to use the work. In this particular case, the law is as it was before. You have to show that the public shall have the same right to use the work, whereas in the case of workmen's dwelling houses you have not to show whether it is for a public purpose or that the public will have a right of use. Under the circumstances a private industrial concern may acquire land ostensibly for housing accommodation for workmen, but ultimately he may use same for some other purpose there being no such agreement for continual user as is required under section 41 of the Act and sub-clause 4 (*b*) (5) of the Bill. These

are defects which ought to be remedied so that these objections made by Dr. Ziauddin Ahmad may be met. Now I do not know, when a company or individual takes land for the purposes of work, what might be the conditions upon which the public can use it. I had occasion to acquire land for a company, and I do not know, except by putting in some bogus clauses to satisfy the sections, how Government can be satisfied with the condition that the public can use it. With these remarks I support the Bill, and I hope these matters referred to before will be considered.

*Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions: Muhammadan Rural): Sir, at the very outset I may say that the Bill, as introduced, and the clauses therein, are not only unsound but even very dangerous as well, especially when I read clause A, where I find the words :—

> "An industrial concern, owned by an individual or by an association of individuals and not being a Company....."

I take objection to the word "concern." The word "concern" is not defined in this Bill. Any small blacksmith or silversmith or anybody may put up a small shed at any place near any dwelling-house. He can employ a certain number of people in his shop and the next day he might rush in and say that his small shop is a concern. He can claim the right to have the houses near about his concern, which cannot, in any good sense, be called a "concern," acquired under this Bill. I submit that this is a kind of Bill which will help capitalists against the poor people. So, I submit that either the word "concern" should be defined or the words "owned by an individual." It is also mentioned in the Bill that this small concern will be called a company. I take objection to these words. Either they should be explained properly or they should be put in a proper form so that these mischiefs may not be committed by the operation of this Bill.

Sir Muhammad Yakub (Rohilkund and Kumaon Divisions: Muhammadan Rural): Sir, in spite of the assurance given by my Honourable friend, Mr. Clow, I think, I am unable to agree with the view expressed by the Honourable Members from the Treasury Benches. In the first place, Sir, my great complaint is that these Bills, about which there ought to be no hurry, are, without being circulated for public opinion and without being referred to Select Committee, at once introduced in the House for the first time for consideration. The ordinary procedure of the House is that every Bill should first he circulated for public opinion and after the public opinion is taken it should be referred to a Select Committee when the Members may have time to make necessary amendments after accepting the principle of the Bill. But now-a-days I find that usually Government Bills are at once introduced and the consent of the House is sought for for their consideration. Sir, you are custodian of the rights of this House and I consider that this is an infringement of the privileges of the House.

The Honourable Sir Frank Noyce: May I point out, Sir, that it was open to the Honourable Member to put in a motion for circulation, but he has not done so. Therefore, I find it a little difficult to understand his attitude now.

Sir Muhammad Yakub: We may or may not move such an amendment, but my complaint is a general complaint. It ought to be the duty of the Government to bring all their measures in the ordinary way laid down in the procedure. It must be only in very urgent cases or in exceptional cases, when Government thinks that circulation or reference to a Select Committee would defeat the real object, that they can dispense with the ordinary procedure; but usual procedure must always be followed in ordinary circumstances. And I appeal to you, Sir, that you will not allow the Government Members to dispense with the ordinary procedure and adopt the extraordinary procedure about every measure which they bring before the House.

Mr. President (The Honourable Sir Ibrahim Rahimtoola): The Honourable Member has already been told by the Member in charge that it was open to Honourable Members to

* Speech not revised by the Honourable Member.

give notice of amendments both for circulation and for reference to Select Committee. The Chair cannot interfere with the procedure laid down in the rules and standing orders. The Chair should like to point out that if there is a very strong feeling in the House in that respect and an amendment for reference to a Select Committee or for circulation is proposed to be moved, the Chair, by virtue of the discretion that is vested in it, will allow such an amendment without previous notice.

SIR MUHAMMAD YAKUB : Sir, I would certainly blame the Government. Of course, it is our fault. But the ordinary procedure is this, that two or three days before the meeting the notice or agenda for the Government business is sent to the Members in a bundle and it is just possible that sometimes certain Bills or certain motions slip from the notice of the Honourable Members.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : Order, order. It might escape the attention of one Member but not of all the elected Members !

SIR MUHAMMAD YAKUB : It is the fault of the Members. But I do think that it is also the fault of the Government that they wish to adopt the extraordinary procedure on ordinary occasions. Everybody would admit that to dispense with the first two stages laid down in the procedure should only be resorted to in extraordinary circumstances. If, on the other hand, extraordinary measures or extraordinary procedure becomes the ordinary procedure, then what is the use in the procedure of having a Select Committee stage or a stage for circulation. Is it only for non-official Bills ? Is it only to stop the passage of the non-official Bill that these two stages are put down ? I leave it at that, and I hope that the Honourable Members of the Treasury Benches will make note of it for the future.

As regards the provisions of the Bill, as I submitted, in spite of the assurance given by my Honourable friend Mr. Clow that the matter would be left to the discretion of the Local Governments, I still find myself unable to support the Bill. What the term " Local Government " means in common parlance, we all know. It is all very well to talk of a Local Government in this Assembly but in matters like this, who is the Local Government ? A Patwari or at the most a Tahsildar.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : Will the Honourable Member allow the Member in charge to make a statement ? I will allow him to resume his speech.

THE HONOURABLE SIR FRANK NOYCE : Sir, I cannot agree with my Honourable friend who has just spoken that Government have adopted any extraordinary procedure in this matter. The Leader of the House is in a better position to reply on that point than I am, but it is not an uncommon feature of Government procedure for them to move for the immediate consideration and passing of a Bill in regard to which they consider it likely that there will be general agreement from all parts of the House. The best way of ascertaining the feeling of the House, I think, is by a motion for circulation or for reference to a Select Committee, and I may point out that in regard to this measure no such motion has been made. It appears, however, that the House is not altogether satisfied on some points in connection with this Bill and I have no objection whatever to circulating it for opinion. If I had had, before bringing my motion to-day, any intimation that the House would like the Bill to be circulated, I should have agreed to it at once.

SIR MUHAMMAD YAKUB : If the Honourable Member is willing to accept an amendment, then with your permission I move the following amendment.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola) : The Chair was going to suggest that very thing to the Honourable Member. He may move an amendment for circulation.

SIR MUHAMMAD YAKUB : With your permission, Sir, I move that the Bill be circulated for eliciting public opinion thereon.

SIR LANCELOT GRAHAM (Secretary, Legislative Department): On a point of order, Sir. When an amendment is moved for circulation of a Bill, the Standing Order requires that a date should be mentioned by which the opinions are to be obtained.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): Will the Honourable Member please state the date by which the circulation is to be completed ?

SIR MUHAMMAD YAKUB: Opinions may be called for until 31st January 1933.

THE HONOURABLE SIR FRANK NOYCE: May I suggest that the date might be 1st January 1933 ?

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): Before the Honourable Member writes out his amendment, the House knows what it is and if no Honourable Member wishes to address the House, I will put the amendment to vote.

SIR COWASJI JEHANGIR (Bombay City: Non-Muhammadan Urban): I just want to speak on the method and procedure. I would like to draw the attention of the Government Benches to an aspect of the case that requires consideration. It is this; sometimes there may be a Bill which it would be advisable to pass straightaway by going through all the stages from the first reading. But the procedure adopted by Government is likely to prevent the House from allowing that to take place, because the date on which it is introduced and the date on which the first reading takes place does not give the people at large in the country an opportunity of knowing the provisions of the Bill. It very often happens that a Bill may be a very simple one, but India is a very large country and a Bill passed in this House concerns the whole of India. Therefore, if the Government would so arrange their business as to allow a certain lapse of time between the introduction and the first reading of the Bill, they might find that they would get their Bills passed at the first reading. Sir, I have had occasion to complain about a Bill that was introduced in this House in this session. It looked on the face of it a very simple measure. As a matter of fact, it contained principles of a very far-reaching character. Fortunately, for us on that occasion, as we have on this, a very reasonable Member of Government agreed not to have the first reading until a certain date. The result has been that we have had an opportunity of consulting expert opinion. If the Leader of the House would take this point of view into consideration, I think it would be both to the advantage of the House as well as of the Government.

THE HONOURABLE SIR C. P. RAMASWAMI AIYAR: Inasmuch as the Honourable Member has referred to me and asked that consideration should be paid to the aspect which he has put forward, I may at once assure him that Government are fully alive to the points indicated by him. The only matter that I wish to dwell upon for a moment is this, that my Honourable colleague, the Member for Industries and Labour, evidently thought that on this Bill, in view of the recommendations of the Labour Commission, there would be practically no difference of opinion. It was in the course of the debate that a difference of opinion manifested itself and I may assure the Honourable Member that whenever the Government consider that there is the necessity either for circulation or for detailed consideration in the Select Committee, it will be their endeavour to follow that mode of procedure.

MR. PRESIDENT (The Honourable Sir Ibrahim Rahimtoola): The question is:—

"That the Bill further to amend the Land Acquisition Act, 1894, for certain purposes, be circulated for the purpose of eliciting opinion thereon by the 1st January 1933."

The motion was adopted.

Copy of letter No. 2293/201, dated the 29th November 1932, from the Association to the Director of Information and Labour Intelligence, Labour Office, Bombay.

Subject:—BILL TO AMEND THE LAND ACQUISITION ACT, 1894.

I am directed to acknowledge the receipt of your letter No. 3605, dated 22nd November, and to say that my Committee support the principle which the Bill seeks to enact with regard to the acquisition of land by an industrial concern for the housing of labour.

APPENDIX 42.

INTERNATIONAL COTTON COMMITTEE.

Copy of letter dated the 12th March 1932, from the General Secretary, the International Federation of Master Cotton Spinners' and Manufacturers' Associations, to the Association.

For your information I beg to enclose a copy of the Minutes of the Meeting of the International Cotton Committee held on the 23rd February last in London. I desire to draw your especial attention to the following points :—

Net Weight Contract for Cotton Covered Bales.—The following resolution on this subject was carried unanimously :—

"This Committee being of the opinion that the sale of cotton covered bales on net weight basis would be an advantage to industry, hereby resolves that the associations affiliated with the International Cotton Federation be circularised in order to ascertain their views as to whether they are favourable or otherwise to the purchase of cotton covered bales on a net weight basis.

"That in the event of a majority of the affiliated associations expressing their assent to the purchase of cotton covered bales on the basis of a net weight contract, all cotton exchanges in the world be requested to modify their rules accordingly."

I should, therefore, be obliged if you would ascertain the views of your members on this subject, in order that the necessary action as indicated in the second part of the resolution may be taken.

Moisture Tests of American Cotton.—You are invited to appoint a representative to a sub-committee which will examine the possibility of arriving at a uniform method of testing American cotton for moisture content. At the same time I should be obliged to receive from you a detailed account of the usual scientific method of testing American cotton for moisture, together with a sample calculation as practised in your country.

International Trade and Currency Restrictions.—Very interesting discussions on this subject took place, but it is only possible to give a condensed version of each speaker's remarks. We draw your special attention to the papers enclosed* on this subject prepared by Messrs. R. Brasseur (Belgium), Dr. E. Zucker (Czecho-Slovakia), R. A. de la Beaumelle (France) and G. Mylius (Italy). It is hoped that every publicity will be given to these papers dealing with such an important topic. Should further copies be desired, they can be supplied.

Rules of Arbitration.—My Committee desire to have your members' views on the suggested alterations to the Rules of Arbitration. Rule 11 has the word "reasonable" inserted in the last line but one.

As regards Rule 8D, there are two suggested alterations and you are requested to send your observations on these to this office in due course.

False Packed Cotton.—As there were several complaints at the Meeting of false packed American cotton and of American cotton containing excessive quantities of short cotton stalks, you are asked to collect any further evidence on this matter and forward full details to this office at your early opportunity.

* Not printed.

Copy of letter No. 867/69, *dated the* 29*th April* 1932, *from the Association to the General Secretary, the International Federation of Master Cotton Spinners' and Manufacturers' Associations, Manchester.*

I am directed to acknowledge your letter dated 12th March together with the enclosures which accompanied it and to say that they were duly circulated to all members of my Committee.

My Committee have given careful consideration to the various questions discussed at the meeting of the International Federation recently held in London and desire me to convey the following expression of their views in regard to :—

(1) *Net Weight Contract.*—It would be in the interests of spinners of American cotton to have all contracts for the purchase of such cotton, packed in cotton covered bales, to be on the "net weight" basis.

(2) *Moisture Tests of American Cotton.*—My Committee have much pleasure in nominating Sir Ness Wadia to serve on the Sub-Committee which is to examine the possibilities of arriving at a uniform method of testing content of moisture in American cotton. My Committee much regret, however, that they are not in a position to give detailed particulars of any scientific method followed in this country for such tests.

(3) *Arbitration Rules.*—The proposed alteration of Rule 11 *re.* the payment of costs of a reference meets with my Committee's approval ; while of the two alternatives suggested for the amendment of Rule 8D *re.* the determination of the place where an arbitration is to be conducted, they are of opinion the first may be recommended for acceptance.

(4) *False Packed Cotton.*—Members of my Association who have, of late, been using an increased proportion of American cotton often have reason to complain of the presence of a large quantity of short cotton stalks in such cotton which, in their opinion, is due to the practice of sledding cotton in America. In addition to these impurities, it has also been their experience to find a great deal of leaf mixed with the cotton which, when passing through the saw-gins gets crushed and it is only with great difficulty that this leaf can be removed.

APPENDIX 43.

PROPOSED ENQUIRY REGARDING FACILITIES FOR ASCERTAINING RATES OF WAGES, ETC.

Copy of letter No. 3167, *dated the* 4*th October* 1932, *from the Director of Information and Labour Intelligence (Labour Office), Bombay, to the Association.*

Subject :—ENQUIRIES REGARDING (1) FACILITIES FOR ASCERTAINING RATES OF WAGES, (2) GRANTING OF LEAVE, AND (3) LOANS AND ADVANCES TO WORKERS.

I have the honour to enclose herewith three* questionnaires *re :* (1) facilities for ascertaining rates of wages, (2) granting of leave and (3) loans advances to workers. It is proposed to conduct these enquiries at all the important textile centres in the Bombay Presidency and publish the results in the *Labour Gazette.* It will be some time before the enquiries are actually undertaken in Bombay ; but, in the meanwhile, I shall be glad if you will kindly let me know whether your Association agrees in principle to the enquiries being made.

Copy of letter No. 2058/152, *dated the* 26*th October* 1932, *from the Association to the Director of Information and Labour Intelligence (Labour Office), Bombay.*

I am directed to acknowledge the receipt of your letter No. 3167, dated the 4th inst., with which were enclosed copies of three questionnaires concerning (*i*) facilities for ascertaining rates of wages ; (*ii*) granting of leave ; and (*iii*) loans and advances to workers.

* Not printed.

In reply, I am to say that the Association is prepared to co-operate in the proposed enquiries provided :

(1) there is previous consultation with the Association as to the details of the questionnaires ;

(2) no reference is made in the reports of the Labour Office to any individual mill by name ;

(3) the reports are confined to statements of facts ;

(4) duplicate copies of individual mills' replies are supplied to the Association in respect of member mills in order that the Association may make recommendations which would assist the adoption of a uniform procedure where uniformity is considered necessary ; and

(5) only one enquiry is conducted at a time.

Copy of letter No. 3415, *dated the 4th November* 1932, *from the Director of Information and Labour Intelligence (Labour Office), Bombay, to the Association.*

I have the honour to thank you for your letter No. 2058/152, dated 26th October 1932, on the above subject.

2. I have no objection to the provisos in paragraph two of your letter. Your Association has already been supplied with copies of the questionnaires and I shall be glad to consider any criticisms which they may have to make on them. If, however, a personal discussion is considered necessary, an officer of the Labour Office will call and discuss the matter personally with you.

3. I agree with your provisos Nos. 2 and 3. In fact, this is our usual practice.

4. As regards proviso No. 4, I think this could be done by supplying three copies of the questionnaire to each mill and requesting it to send the replies in duplicate, the third copy being for the mill's office record.

5. I also agree with your proviso No. 5 and I would leave it to your Association to suggest which enquiry they would like us to begin first.

Copy of letter No. 2328/152, *dated the 2nd December* 1932, *from the Association to the Director of Information and Labour Intelligence (Labour Office), Bombay.*

I am to refer to your letter No. 3415, dated 4th November 1932, and to say that my Committee are glad to note that you are agreeable to conduct the enquiries referred to above on the conditions suggested by them.

I am desired in this connection to suggest that the enquiry into the granting of leave might be taken up first, and that the lines on which each enquiry should be conducted should be the subject of discussion between the Labour Office and this Association.

APPENDIX 44.

ENQUIRY INTO CONDITIONS OF WORK, HOURS OF EMPLOYMENT, ETC., IN THE TEXTILE INDUSTRY.

Copy of letter No. 1114, *dated the 16th April* 1932, *from the Director, Labour Office, to the Association.*

The Eleventh Session of the International Labour Conference held in Geneva in May-June 1928, adopted a resolution (copy enclosed) concerning an enquiry into the condi-

tions of work of persons employed in Textile Industries. The Governing Body of the International Labour Office after a considerable discussion of the subject during which several schemes for conducting such an enquiry were discussed have now finally decided to hold the enquiry on a very simple basis. The Special Committee appointed by the Governing Body to frame a questionnaire have drawn up a form in three parts. I am enclosing a *copy of this form. In the first part information is required, by age and sex groups, for the total number of workpeople employed in all establishments of the industry. Information is required separately for males and females under 14, 14 and under 18, and over 18. As it would be very troublesome to procure figures for the second group, advantage might be taken of footnote (*f*) to the third part which permits Far Eastern countries and India to give the information for such age groups as may be possible and the figures may be given for two groups only, viz., under 15, and 15 and over, in conformity with the Indian Factories Act. The same remarks would apply to the particulars to be given in Part III of the form. In the second part figures are required for the numbers of mule and ring spindles, and looms under 45″ wide, 45″-70″ wide and over 70″ wide. This ought not to offer any difficulty as the figures would be readily available. Part III of the form has ten questions of which those relating to contributions for compulsory social insurances and family allowances and paid holidays will not concern mills in the Bombay Presidency. The remaining questions to be answered are with regard to the number of workpeople to whom wages were paid during the period to be determined for the enquiry, the net amount of money wages paid, the aggregate number of hours worked for these wages and the aggregate number of normal hours which would have been worked in the pay period.

2. I have received a demi-official letter from the Department of Industries and Labour of the Government of India enquiring whether it would be possible to procure the information required by the Governing Body of the International Labour Office without conducting a special enquiry for the purpose, and if this is not possible, whether such an enquiry could be conducted without considerable expense to Government. From the existing statistics available on the subject I do not think it would be possible to fill up the forms without further investigation and at the same time the enquiry does not appear to be so onerous or difficult as to prevent an *ad hoc* enquiry from being conducted. The 1926 Wage Census was conducted for the month of May for Ahmedabad and July for Bombay and Sholapur, and as things appear to be fairly normal this year, I should think that the month of July may be taken for the enquiry in all centres and as far as Ahmedabad is concerned—one hapta only in July.

3. The most important question is whether spare hands and *badlis* should be included in the figures for the numbers to whom wages were paid. I should think that it would be advisable to exclude these but on the other hand this might mean more trouble to the individual mills in excluding the wages paid to these workers from the total wages bill. You will observe that the object of the enquiry appears to be to arrive at average hourly wages per head on the total number employed and great care will therefore have to be taken in arriving at the aggregate number of hours worked. This should not be difficult if the mills are properly instructed as to what is actually required because it will only mean adding up the aggregates of hours worked for different groups of workers. I think it would be better to have separate statistics for day and night shift workers.

4. Question No. 6 in Part III of the form requires the estimated total value of allowances in kind to the numbers of workers to whom wages are paid. This will not apply to any mills in the Bombay Presidency outside Sholapur, but I should be glad to have your views as to how this matter can be dealt with in respect of the *moghwari* grain allowance given in the Sholapur mills.

5. I should be much obliged if you could kindly let me have the views of the Committee of your Association as early as possible as to whether they would be willing to co-operate in this enquiry. I would suggest that if you decided to participate in the enquiry, your Association should send the forms and instructions to your individual members and request them to return the forms either to you for transmission to us or direct to the Labour

* Not printed.

Office and I would undertake the final tabulation of the figures. I shall address such mills in the Bombay Presidency as are not affiliated to the Bombay or the Ahmedabad Millowners' Associations separately in the matter after I have heard from you.

Resolution concerning an enquiry into the conditions of work of persons employed in the Bombay Textile Industries.

Considering the economic difficulties which are manifesting themselves in various sections of the textile industry throughout the world ; and

Considering that in finding a solution of these difficulties it is necessary to have the fullest possible information in order to demonstrate the importance of existing legislation and other social measures for the protection of the workpeople engaged in this industry ; and

Considering, furthermore, the advisability of determining the exact labour situation in an industry wherein women constitute the majority of the workers, more especially in order to facilitate the ratification and universal application of the International Labour Conventions concerning the protection of women and children ;

The Conference requests the Governing Body to consider the possibility of undertaking an investigation as early as possible into the conditions of work of men, women and children employed, including wages, hours of work, hygienic conditions and other conditions affecting their employment, in the textile industries of the various countries of the world.

Copy of letter No. 1019/129, *dated the 26th May* 1932, *from the Association to the Director of Information and Labour Intelligence, Bombay.*

I am to acknowledge your D. O. letter No. 1114, dated 16th April 1932, requesting me to let you know whether the Association would co-operate in an enquiry into working conditions and wages in the textile industry which, it is proposed, to hold in order to give effect to a resolution of the International Labour Conference held in 1928.

My Committee would, at the outset, like to say that the enquiry appears to be in the nature of a roving investigation into the industry, with no definite or well-defined objects in view.

One of the reasons for the enquiry is stated to be "the advisability of determining the exact labour situation in an industry where women constitute the majority of workers, more especially in order to facilitate the ratification and universal application of the International Labour Conventions concerning the protection of women and children." It may be said at once that women do not constitute the majority of workers in the Bombay Cotton Mill Industry, while India was one of the first few countries to ratify the convention against the employment of women and children at night. The terms of the convention are being observed rigidly and it has not been suggested that they need tightening up. My Committee do not, under the circumstances, see the utility of an enquiry of the nature contemplated by the Resolution.

My Committee also feel that if the information is collected in the form required by the International Labour Office an entirely misleading picture may be presented of industrial conditions in India. An enquiry merely into wages and hours of work would be very one-sided and would not convey a correct perspective of conditions as they exist in Indian textile mills to-day. If the enquiry is to be of any value to the industry it should cover wider ground. Information regarding the output per operative and the relation which his wages bear to the total manufacturing cost and other items of a like character should also be taken into account, while wages in other industries and in agriculture must be considered if any estimate of the conditions of textile labour in India is to be complete and satisfactory.

My Committee would conclude by pointing out that at present member mills are being asked to supply a very great deal of statistical and other information in connection with the impending Inquiry by the Tariff Board, and the Committee regret they cannot see their way to place an additional burden of work on the mills by asking them to fill up the forms enclosed with your letter.

Copy of letter No. 1757, *dated the 6th June* 1932, *from the Director of Information and Labour Intelligence (Labour Office), Bombay, to the Association.*

Your letter of the 26th ultimo, No. 1019/129, in which you regret your inability to co-operate in the Enquiry that the International Labour Office proposes to make into the conditions of work of persons employed in Textile Industries.

2. While it is true that the Enquiry does propose to give special attention to women, yet this is only one of the objects, the main one being " to find a solution of the economic difficulties which are manifesting themselves in various sections of the textile industry throughout the world," for which purpose it is necessary to have the fullest possible information in order to demonstrate the importance of the existing legislation and other social measures for the protection of workpeople engaged in this industry. The draft Questionnaire, which you were asked to co-operate in answering, is, I think you will agree, relatively a simple one ; and, while I fully appreciate that your members are being asked to supply a very great deal of statistical and other information in connection with the impending enquiry by the Tariff Board, I venture to suggest that the information required by the Questionnaire is precisely what would be required by the Tariff Board. The Noyce Committee devoted a great deal of attention to labour, as regards wages, conditions of service, etc., especially in connection with your Association's point that high labour costs were an important factor contributing to the then depression. While it would, no doubt, be possible for this office to give the International Labour Office some figures based upon the Wage Census of 1926, in which you were good enough to co-operate, I do not think that this would be satisfactory from your point of view, especially as the Ahmedabad Millowners' Association have agreed to co-operate in this enquiry and to give us the up-to-date figures that the International Labour Office requires.

3. As regards the suggestion that the enquiry would be very one-sided and would not convey a correct perspective of conditions as they exist in Indian textile mills to-day, there is no reason of course why your Association in giving the figures asked for should not point to these facts ; and there is no doubt that in this, as in other matters where India is concerned, the special position of this country will be taken into consideration by the International Labour Office.

4. I would be very glad if you could look into the matter again in the light of the above remarks in the hope that your Association may find it possible, after further consideration, to give us that co-operation in this enquiry which you have been good enough to give us so often in the past.

Copy of letter No. 1455/129, *dated the 2nd August* 1932, *from the Association to the Director of Information and Labour Intelligence, Labour Office, Bombay.*

I am directed to acknowledge receipt of your letter No. 1757, dated 6th June 1932, and your D. O. No. 2535, dated 27th July 1932.

While my Committee feel very strongly that the kind of enquiry which is proposed would be misleading and would do no good they are prepared to be helpful if Government come to the conclusion that an investigation of this character might serve some useful purpose.

APPENDIX 45.

STATISTICS OF ATTENDANCE IN FACTORIES.

Copy of letter No. 340, *dated the* 1*st February* 1932, *from the Chief Inspector of Factories, Bombay Presidency, to the Association.*

Subject :—POSSIBILITY OF OBTAINING INFORMATION RELATING TO TOTAL NUMBER OF PERSONS EMPLOYED FOR NOT LESS THAN 30 DAYS.

I have the honour to refer to the following passage that occurs at page 443 of the report of the Royal Commission on Labour :—

> " We recommend that Government should examine the possibility of obtaining from the factory owner the total number of persons employed in his factory for not less than one month in a year. We are aware of the difficulties but we believe that in the perennial factories particularly the maintenance of some record of this type would be of advantage to employers in obtaining the facts relating to turnover."

2. It will be seen from the context that the purpose underlying the recommendation is to obtain the facts relating to the turnover in factories, and it is understood that the Commission's intention is that Government should secure from each factory owner at the end of each year an annual return showing in respect of the year the total number of persons who at any time during the year were employed in the factory for an aggregate period (not necessarily continuous) of not less than 30 days. In a factory where the turnover is large the total number of persons who during any year were employed in the factory for an aggregate period of not less than 30 days would undoubtedly be largely in excess of the average number of persons employed during the year and this excess will provide a measure of the extent of the turnover in the factory concerned.

3. I have been directed to enquire whether, in the event of information of this kind being statutorily required under the statutory factory returns, any unreasonable amount of difficulty would be caused. At the same time, in the event of the Government of India deciding to statutorily call for the information, I should be pleased if you would inform me whether the information should be obtained for a consecutive period of not less than 30 days or whether it should be collected for, say, 3 periods of 10 days each at different times in the year. As far as the Bombay mill industry is concerned it appears that the submission of figures for different times of the year is desirable. If your Committee agrees with this view, I should be grateful if you would indicate the number and length of the periods, and the months of the year that would be most suitable.

4. If however your Committee considers that the information should be obtained for one consecutive period of not less than 30 days, I shall be pleased if you will inform me of the time in the year that would be most likely to yield an average result.

Copy of letter No. 807/76, *dated the* 22*nd April* 1932, *from the Association to the Chief Inspector of Factories, Bombay Presidency.*

Subject :—TOTAL NUMBER OF PERSONS EMPLOYED FOR NOT LESS THAN 30 DAYS.

I am directed to acknowledge the receipt of your letter No. 340 dated 1st February in which the Association's attention was drawn to a passage in the report of the Royal Commission on Labour in which it was recommended that Government should examine the possibility of obtaining from factory owners the total number of persons employed in their factories for not less than one month in the year. As stated in your letter it would appear that the object underlying the proposal of the Royal Commission was to ascertain the facts relating to labour

turnover in factories. My Committee would be most willing to assist in collecting the facts in regard to labour turnover, provided that the information could be elicited without an unreasonable expenditure of time and energy. There are however great practical difficulties in the way of accepting the suggestion that mills should ascertain the total number of persons employed for more than 30 days in a year in all factories. These were pointed out at the conference which you had with the Technical Sub-Committee of my Association on 31st March 1932. Even if those difficulties could be overcome it is necessary to state that the objects aimed at by the Royal Commission would not be achieved by the methods suggested in any centre which contained more than one factory of the same kind, because of the fact that the same workers often find employment in more than one mill during any particular year. Other simple methods of estimating turnover, aggregate numbers of operatives employed were suggested at the conference but were open to serious objections.

The most promising method of achieving results which would be of real value to the industry would be for the Labour Office to conduct detailed investigations in a limited number of mills. Such enquiries should have very definite and limited aims, the nature of which might be decided at a joint meeting between yourself, the Director of Information and Labour Statistics and the Committee of my Association.

In this connection I might add that the agents of the Alexandra and E. D. Sassoon Mills are at present conducting an enquiry into labour turnover, and a study of the methods being followed might possibly assist us in determining what can and should be attempted.

APPENDIX 46.

USE OF COAL IN BOMBAY MILLS.

Copy of letter No. TD-6/27, dated the 13th October 1931, from the Secretary, Indian Mining Federation, Calcutta, to the Association.

I am directed to address you on the subject of the use of fuel oil in place of coal in the cotton mills owned or managed by the members of your Association.

2. As far as the Committee of the Federation are aware, the consumption of fuel oil in the cotton mills dates from 1923 or thereabout for all practical purposes. The Committee are not precisely aware of the circumstances under which the millowners replaced coal by oil fuel in their boilers. Presumably, in the years immediately following theWar, serious apprehensions were entertained as to a regular supply of coal from the Bengal coalfields to the distant parts of the country. It was probably assumed that the acute wagon position which prevailed in the years 1920 and 1921 would prove as a permanent feature of the Indian coal traffic situation. And it is probably with a view to partially mitigate the dependence of the mills on coal as the exclusive basis of power that steps were taken to alter the fittings of some of the boilers for burning of oil rather than coal. In any event, the fuel oil was introduced at a time when the prices of coal were far higher than they are at present. The marked fall of Indian coal prices meanwhile has completely changed the situation. The Committee understand that the price of oil fuel per ton landed in Bombay or Karachi is Rs. 36 per ton against Rs. 16 to Rs. 17 per ton as the price at which best Bengal coal can be delivered at any of these places. The question whether it is more economical for the cotton mills to use fuel oil than coal resolves in the circumstances into what view is taken of the comparative thermal efficiency between coal and fuel oil. The point is one with regard to which the Committee of the Federation have been at some pains to obtain expert opinion. According to the experience of Messrs. Tata Iron and Steel Company, Limited, the burning efficiency between the two fuels can be represented by 1 : 1.85, the efficiency undoubtedly being in favour of oil. Other academic expert opinions generally confirm the view, and under no circumstances it has been claimed that so far as thermal efficiency is concerned, a ton of oil when burnt through the medium of a boiler is more effective than two tons of coal. It would, therefore,

appear that at the present price of coal and oil, it is distinctly economical for the cotton mills to burn in their boilers coal rather than oil fuel. Nor need the point be overlooked that in the long run it is always in the best interest of one industry to stand by a sister industry. It may for instance be pointed out that should with the increased custom of cotton industry the coal industry can recover from the present depression, the former may look for a better market for their output in the coalfields.

3. In bringing these facts to the notice of your Association, I am desired to express a hope that your Committee will impress on the members of the Association.

Copy of No. letter 3398/22, *dated 28th December* 1931, *from the Association to the Secretary, Indian Mining Federation, Calcutta.*

I am in receipt of your letter TD-6/27, dated the 13th October. The circumstances which operated on the minds of millowners who switched over from coal to fuel oil are not entirely covered by the points advanced in paragraph 2 of your letter under reply. A factor which weighed with them was the poor quality of coal which they used to receive from Bengal. It is possible that this particular difficulty has now, to some extent, been overcome, and that if arrangements were carefully made, coal of uniform quality and of a sufficiently high calorific value could now be obtained.

The question of going back to Indian coal on the completion of the mills' existing contracts with the Oil Companies is, therefore, largely dependent on the comparative costs of fuel oil and coal. The matter has for some time been receiving the earnest consideration of the Association and of individual mills, and if it is definitely ascertained that Indian coal is comparable in price to fuel oil, the Association will do what it can to encourage mills to use it. I would, however, point out that other considerations than those mentioned in your letter have also to be taken into account; namely, regularity of steaming; cost of extra labour involved in the use of coal; smoke nuisance difficulties; stacking accommodation; deterioration and loss during the monsoon; etc., etc.

In conclusion, I may say that the Association recognizes the desirability of the Cotton Textile Industry doing what it can to support sister industries in the country, and you may rest assured that this point will always be borne in mind.

APPENDIX 47.

BOMBAY FIRE INSURANCE ASSOCIATION RULES FOR CONSTRUCTION.

Copy of letter No. 3178, *dated the 22nd June* 1932, *from the Bombay Fire Insurance Association to the Association.*

From time to time it has been brought to the notice of the Committee of this Association that the existing rules for construction under the Cotton Mills and Godowns Tariffs are not very clearly worded and it is, therefore, proposed to have these redrafted so that uniform rules shall apply to both Mills and Godowns.

We are directed to enclose a copy of the suggested revised Rules and trust they will meet with the approval of your Association.

The proposed Rules will be applicable to new buildings and extensions erected after the date on which the Rules are adopted.

BOMBAY AND SALSETTE COTTON MILLS AND COTTON MILLS GODOWNS TARIFFS.

Rules for Construction.

Also applicable to Bombay Mofussil Cotton Mills and Cotton Mills Godowns Tariffs.

Definition and Fundamental Rules.

Important.—Before any construction work is started plans and details should be submitted to the Bombay Fire Insurance Association for approval.

(*a*) *External Walls.*—The principal exterior walls of the building not being party walls or area walls. In fireproof and non-fireproof buildings they must not be less than 14″ thick in any part.

(*b*) *Area Wall.*—A wall facing into an area or similar enclosed but unroofed space whether such enclosed space be contained within the building or be common to that and other buildings. In fireproof and non-fireproof buildings they must not be less than 14″ thick in any part.

(*c*) *Perfect Party Wall.*—A wall that separates building(s) and compartment(s) from adjoining building(s) and compartment(s). It must be constructed of brick, silica or sand lime brick or stone set in lime and/or concrete and/or mortar, concrete or reinforced concrete and must not be less than 18″ in thickness at any part carried through and at least two feet above the roof, every opening therein being protected by double fireproof doors. When of reinforced concrete the wall must not be less than 13″ thick in any part, unless the adjoining building be of reinforced concrete construction in which case 9″ is allowed, except in the case of Shed Buildings not exceeding 20 feet in height where the thickness may be reduced to 8.″

N.B. 1.—Openings to Rope Races, Staircases and/or Hoists may be deemed sufficiently protected if fitted with *single* fireproof doors.

N.B. 2.—Openings for Shafts, Straps and Steam, Gas or Water Pipes, not being of more than sufficient size for the purpose and in no case exceeding 4 sq. feet in area are allowable.

N.B. 3.—In the case of fireproof building(s) with roof(s) of brick and/or masonry, and/or reinforced concrete it is not necessary that the wall should be carried through and above the roof.

N.B. 4.—When building(s) and/or compartment(s) adjoin but do not communicate (i.e., are separated by perfect party wall(s) and there is a verandah on one or more sides of such building(s) and/or compartment(s) it is necessary that the party wall should be built out across the verandah and be carried through the roof of same : otherwise the building(s) and/or compartment(s) must be regarded as forming one risk and rated accordingly.

(*d*) *Partition Walls.*—A wall within the building forming a separation between rooms, corridors, sub-compartments and other sections of a compartment.

(*e*) *Roof used as a floor.*—A roof which is used for the deposit or handling of goods or materials of any description or which has any shed or other erection placed on or over any part of it.

(*f*) *Compartment.*—A portion of the building divided from every other portion by floor or floors (as hereafter specified) and by a perfect party wall or walls if there be more than one compartment in the same storey.

(*g*) *Fireproof Doors and Shutters.*—Doors and shutters complying in all respects with the rules of the Bombay Fire Insurance Association for the construction and fixing of fireproof doors and shutters.

(*h*) *Double Fireproof Doors.*—The expression "Double fireproof doors" means two fireproof doors fitted one on each side of the wall opening, the full thickness of the wall apart, except in the case of doors of the hinged type which may be fitted flush with the surface of the wall, provided that in no case shall there be a space of less than seven inches between the inner faces of the doors.

(*i*) *Wired Glass Electro Copper Glazing.*—Wired glass or electro-copper glazing complying in all respects with the rules of the Bombay Fire Insurance Association for the application of wired glass and electro-copper glazing.

(*j*) *Silica and Sand Lime Bricks.*—Silica or Sand Lime Bricks must be composed of crushed silica, clean sharp sand or other refractory material (free from unburnt clay) such as, for instance, clinker or slag, intimately mixed with from 5 to 10 per cent. of thoroughly slaked lime. They should be moulded under very heavy mechanical pressure and then subjected to the continuous action of steam at not less than 120-lbs. pressure for at least eight hours.

All users of this class of bricks must obtain from the manufacturers a guarantee that their products comply fully in respect of material used and process of manufacture with the particulars set out above.

(*k*) *Masonry.*—Is construction with stone and/or burnt brick laid in mortar and/or cement without cavity.

(*l*) *Hollow Blocks, Solid Blocks, Slabs.*—Are hard blocks of well burnt clay or brick-earth or of concrete as defined below.

(*m*) *Concrete.*—Concrete is a mixture composed of cement and sand with any of the following coarse materials prepared to a suitable size, namely, broken brick, burnt ballast, clinker that will not pass a $\frac{1}{4}''$ mesh, clean river ballast or gravel, pit ballast or gravel, granite, basalt, traprock, or similar hard stone excluding limestone other than Tongshan limestone. The volume of sand shall not be more than twice the volume of cement, and the volume of coarse material shall not be more than twice the volume of sand, 90-lbs. of cement may be deemed equivalent to one cubic foot.

(*n*) *Reinforced or Ferro Concrete.*—Construction in reinforced concrete, also termed ferro-concrete, consists of concrete (as defined above) reinforced in every part with embedded metal rods or bars spaced not more than 12″ apart and securely connected or overlapping at least six inches at all abutments and intersections and having bands or bars across the thickness of the concrete. The concrete must be rammed round the metal work in position so that every part is completely enclosed with solid concrete. In addition to the metal rods or bars spaced and connected as specified, expanded metal or metal meshwork may be incorporated.

(*o*). *Ash Lime Concrete and Mortar.*—The use of fine ash and all substances which have not been fully burnt and all soft impurities in the masonry construction of buildings is deprecated. Where such substances are used either in concrete or mortar they may, in themselves, cause the structure to be rated as of inferior construction.

(*p*) *Adjacent Buildings.*—(1) Buildings or compartments of fireproof and non-fireproof construction having windows or openings overlooking the roofs of adjoining buildings or compartments (except roofs of concrete or masonry) and buildings or compartments which have opposing (either directly or diagonally) windows and/or openings within twenty feet of each other (either directly or diagonally) must not be treated as separate risks for rating purposes, unless the windows and/or openings are protected by fireproof doors or shutters or by wired glass appoved by the Bombay Fire Insurance Association.

NOTE :—It is understood that the above condition is not retrospective but applies to buildings or compartments which have been erected or altered on or after the.....

(2) Where a building of fireproof or non-fireproof construction and a building of *inferior* construction or two buildings of inferior construction are not separated by an open space at least twenty feet wide the highest rate applicable to either of the risks must be charged on both, unless, separation is effected by a wall 14 inches thick and otherwise conforming to the definition of a "perfect party wall."

(*q*) *Adjoining and/or communicating Buildings.*—When two or more buildings or compartments adjoin and/or communicate the highest rate applicable to any one of them is to be charged over all, unless the separation is by a "perfect party wall."

FIRE-RESISTING CONSTRUCTION.

Walls, Piers, Columns and Stanchions.

Rule 1.—Walls (except partition walls) must be constructed of :—

(*a*) Burnt bricks and/or stone
or
(*b*) Silica or sand lime bricks and/or stone } set in lime and/or concrete and/or mortar.
or
(*c*) Ferro-concrete or reinforced concrete.
or
(*d*) Skeleton Steel Framework in combination with any of the above provided they be properly bonded together.

Timber is allowed to be used only for window frames and doors in external walls.

Stanchions and columns (other than columns of brick, concrete, or reinforced concrete) must be of metal protected in accordance with Rule 11.

Rule 2.—With the exception of office enclosures, which may be of wood with or without glazing, all other partition walls must be either of incombustible material or of expanded metal and plaster affixed to wooden studs.

Openings in External and Area Walls.

Rule 3.—The total superficial area of the openings in each external or area wall of any storey above the ground storey shall not exceed $\frac{3}{4}$ of the area of the wall (measured as to height from floor to ceiling of the storey in which the openings occur). All doors, door frames and window frames and sashes must be of iron or other metal, or of non-resinous hardwood.

Floors.

Rule 4 (*a*).—If solid—shall be constructed of brick, terra-cotta, fire-clay and/or concrete at least 5 inches thick devoid of cavity.

The lowest floor of the building may be of stones with a surface covering conforming to Rule 6 (*a*) or (*b*).

N.B.—Provided that the skeleton of the building be wholly reinforced concrete, any floor constructed of reinforced concrete need comply with the following rule :—

> Floors and beams must be constructed of reinforced concrete and floors must be not less than 4 inches thick in any part unless a flooring of incombustible material at least 1 inch thick is superimposed thereon, in which case the concrete must not be less than 3 inches thick.

Rule 4 (*b*).—If hollow—shall be constructed of hollow blocks or concrete at least 6 inches thick, the total thickness of solid material being at all points at least 4 inches of which

at least 2 inches must be concrete forming the top of the blocks (which must be well grouted in cement) or concrete above the highest point of the blocks. The hollow blocks must have top and bottom and sides composed of the materials named in (*a*) above at least $\frac{3}{4}$ inch thick.

Rule 5.—Any joists and/or girders in or supporting the floor must be of metal, protected in accordance with Rule 12, or be of reinforced concrete.

Rule 6 (*a*).—The surface of every floor shall be made non-porous so that water cannot pass through.

Rule 6 (*b*).—A surface covering of incombustible material, with or without tar or asphalt as the binding agent, may be laid directly on the incombustible floor. Wood flooring may be laid directly on such surface covering, or may be laid directly on the incombustible floor provided that in either case there be no intervening space and that any wood fillets for affixing such flooring be bedded not more than 1 inch in the incombustible floor. Pitch may be used for bedding wood blocks.

Rule 7.—In the case of buildings used for storage purposes the floor surface which must conform to the foregoing rules must in addition be at least 6 inches above the ground level or level of the door sills whichever be the higher, and should slant towards the doors.

Floor Openings.

Rule 8.—No opening through any floor or through any roof used as a floor shall be allowed except as follows:—

(*a*) Holes to admit steam, gas and/or water pipes, and iron and earthenware tubes for electric conductors. All pipes and tubes shall be cemented round the full thickness of the incombustible floor or roof.

(*b*) Staircases and hoists of which the enclosure is constructed entirely of brick and/or concrete at least 14 inches thick or of reinforced concrete at least 9 inches thick devoid of cavity. Every opening from the enclosure on to a roof used as a floor or to any other part of the building must be fitted with a fireproof door.

N. B. 1.—Any furnace or motor chamber communicating with the staircase or hoist enclosure must comply with rule 8 (*b*).

N. B. 2.—All stairs and landings within the said enclosures shall be constructed of incombustible materials.

N. B. 3.—If any staircase or hoist extend to the top storey of a building, the roof of which is not a roof used as a floor, the enclosing walls must be carried through and at least 18 inches above the roof of the building and a skylight or window glazed with thin sheet glass must be provided above the roof of the building and be protected externally by strong wire work, but if the building has a roof used as a floor, any staircase or hoist must comply with rule 8 (*b*).

The above rules relating to Floor Openings shall not be retrospective but shall apply to all buildings erected after.....

Roofs.

Rule 9.—Roofs not used as floors shall be constructed only of:—

(*a*) Masonry
or
(*b*) Concrete
or

(*c*) Asbestos slate on steel or iron frames, or Bell's " Everite Big Six " asbestos cement sheeting or similar material not less than ¼" thick, supported by purlins which must be of steel or iron spaced not more than 2 feet 6 inches apart and supported on steel or iron frames.

or

(*d*) Corrugated iron covered with tiles on steel or iron frames.

or

(*e*) Corrugated Asbestos Cement sheeting covered with tiles on steel or iron frames

or

(*f*) Corrugated iron or metal sheets covered with Tilestonite cement not less than 1½" thick on steel or iron frames.

or

(*g*) Corrugated iron or metal sheets covered with Bell's " Big Six Everite " asbestos cement sheeting or similar material not less than ¼" thick on steel or iron frames.

or

(*h*) Except in the case of buildings used for storage purposes roofs may be built on the north light principle. The upright portion of the structure must conform to one of the foregoing standards and the glazing which must be of wired glass must be fitted in a substantial iron or steel frame work, and opening for ventilation above the north lights must be protected by expanded metal or other perforated metal of close mesh.

N.B. 1.—Skylights of wired glass fitted in a substantial iron or steel framework are permitted in roofs not used as floors to an extent of ¼th the aggregate area.

N.B. 2.—Outlets on to such a roof are permitted provided they be constructed of incombustible material.

N.B. 3.—Wherever the word " tiles " appears in this rule it shall be understood to mean Mangalore Tiles. This ruling however applies only to such buildings as are erected or to buildings which are re-roofed on and after.....

N.B. 4.—For rules *re* Composition Roofing see Association's Book of Rules and Regulations.

Linings and Ceilings.

Rule 10.—No lining of wood or textile fabric is allowed to any part of the walls, including partition walls, ceilings or roofs.

Protection of Structural Metalwork.

Rule 11.—In storied buildings all stanchions and columns shall be completely encased with brickwork or terracotta at least 4 inches thick, or with concrete at least 2 inches thick, the whole being efficiently bonded or secured together.

Rule 12.—Space must be left at the ends of girders and joists to permit of expansion.

Ventilator Ducts and Flue Systems.

Rule 13.—All smoke flues shall be built of brickwork or of reinforced concrete and no part thereof towards the interior of the building shall be less than the stipulated thickness, namely :—

(*a*) If of brickwork any furnace or steam boiler flue shall not be less than 8½ inches thick, and for a distance of at least 20 feet from the furnace or firing place, shall, in addition, be lined throughout with firebrick not bonded with the flue brickwork but laid in fire-clay mortar.

(*b*) If of brickwork any flue other than a furnace or steam boiler flue shall not be less than 8½" thick, except such a flue be lined throughout with fire-clay slabs or fire-clay pipes not less than 1" thick, set and jointed in fire-clay, in which case the brickwork shall not be less than 4¼ inches thick.

(*c*) If of reinforced concrete, the flue shall not be less than 4" thick throughout, and in the case of a furnace or steam boiler flue, it shall not be less than 6" thick for a distance of at least 20 feet from the furnace or firing place. Reinforced concrete flues of every description shall, in addition, be lined throughout with fire-clay pipes not less than 1½ inches thick.

Rule 14.—All ventilation ducts shall be builtof brickwork or reinforced concrete not less than 4 inches thick, and shall have openings in onestorey only.

N.B.—No timber or woodwork shall rest in orbe plugged into the brickwork or reinforced concrete of any smoke flue or ventilation duct.

Pipes.

Rule 15.—All pipes in the building, except water pipes not exceeding 1½" in diameter and soil pipe connections shall be of hard metal.

Electric Installations.—See Wiring Rules of the Bombay Fire Insurance Association.

NON-FIREPROOF CONSTRUCTION.

The walls of a non-fireproof building or compartment must be constructed of :—

(*a*) Burnt bricks and/or stone .. .. .. } set in lime and/or concrete and/or mortar.
or
(*b*) Silica or sand lime bricks and/or stone .. }

The roof of a non-fireproof building or *compartment* must be constructed of :—

(*a*) Tiles or Slates
or
(*b*) Metal
or
(*c*) Corrugated asbestos cement sheeting.

Inferior Construction.

Buildings or compartments which cannot be classed under fireproof or non-fireproof shall be treated as of inferior construction.

A shed wholly or partly open shall be rated as of inferior construction.

Copy of letter No. 1649/145, *dated the* 31*st August* 1932, *from the Association to the Secretaries, Bombay Fire Insurance Association, Bombay.*

I am directed to refer to your letter No. 3178, dated 16th August, and to say that my Committee approve the draft of the revised Rules for Construction under the Cotton Mills and Godowns Tariffs except the requirement in Rule 9 (*h*) that the glazing in the case of roofs built on the north light principle and in skylights must be of wired glass. My Committee are of opinion that the provision of such glass is unnecessary and will entail a larger outlay than the needs of the case appear to warrant. They would, therefore, suggest the retention of plain sheet glass as at present in roofs of this type of construction.

My Committee note from your letter of 22nd June that the revised Rules will be applicable to new buildings and extensions erected after the date on which the Rules are adopted, but they would like to have a definite assurance that these Rules will at no time in the future be made applicable to existing mill buildings or cotton mill godowns.

Copy of letter No. 3178, *dated the* 21*st September* 1932, *from the Secretaries, Bombay Fire Insurance Association, Bombay, to the Association.*

We refer to your letter No. 1649/145 of 1932, dated 31st ultimo, and are directed to inform you that the requirement in Rule 9 (*h*) only applies to risks which are to qualify for fireproof rates.

With regard to the latter paragraph of your letter our Committee assure you that these Rules will not in the future be made applicable to existing Mill buildings or Cotton Mill godowns except in cases where blocks of existing Mills or godowns are demolished by fire or any other cause and new structures are erected. In such cases the new Rules will apply.

APPENDIX 48.

MEDICAL FACILITIES FOR MILL OPERATIVES.

Copy of letter No. 53 (2) *B, dated the* 20*th August* 1932, *from the Officiating Surgeon-General with the Government of Bombay, Poona, to the Association.*

Subject :—HOSPITAL SAVING ASSOCIATION OF BOMBAY.

I am herewith forwarding the outlines of a Scheme for National Health Insurance on the same lines as in Great Britain and request that you will kindly give it your careful consideration and let me know if in your opinion it is likely to work with any prospects of success if introduced in Bombay.

Could you kindly give me a rough idea of the number of workmen or employees, in the institutions with which you are connected, who will join the scheme and also a rough estimate of the total number of workmen and others in Bombay below a certain limit of income who would join and whether in your opinion the weekly contribution of annas 3 per head is too low or too high considering the average income of workmen in Bombay.

Any other information on the subject will be welcome.

HOSPITAL SAVING ASSOCIATION OF BOMBAY.

An Association to be formed in Bombay on the lines of the National Health Insurance Act of Great Britain with the object of raising funds for all the Bombay Hospitals.

The Association to be called "The Hospital Saving Association of Bombay." The Association to represent different interests in the city, viz., the millowners and other employers of labour and also the Government.

The object of the Association being :—

(1) To raise funds for the maintenance of the Bombay Hospitals by (*a*) Collecting weekly contributions from the workers and employees by way of health insurance. The contribution being at the rate of annas two or three a week to be collected monthly or quarterly. (*b*) Raising money from voluntary donors.

(2) To appoint a panel of doctors who would attend on the insured workers and those dependent on them for minor ailments, and when necessary, transfer them to hospital for hospital treatment. The panel doctors would be paid a fixed sum *per capita* by the Association.

(3) To appoint chemists who would dispense medicines for insured persons prescribed by the panel doctors, and defray the cost of medicines.

(4) To distribute funds to different hospitals in proportion to the number of patients treated by them.

(5) To maintain an ambulance service.

(6) To provide for the beggars and road-side cases.

(7) To provide for the convalescent treatment of cases that require such treatment.

(8) To appoint advisory committees on the lines of the present advisory committees.

The Association will have no control over the administration of the hospitals which will be managed as at present. It will only be responsible for providing the funds. It is quite possible the Association will not be able to raise sufficient funds to defray the total expenditure of the hospitals and a grant from Government may be necessary.

All employees in factories, mills, warehouses, banks, private firms, etc., will be entitled to contribute, also persons earning small income. Large employers of labour may insure all their employees *en bloc* and deduct the contribution from the wages of their workmen. Workers need not be insured by name but an employer might insure an occupier of a particular post so that in case the employee is discharged from his service the insurance will hold good for the new incumbent.

In return for the weekly premium the contributor would be entitled to be treated by the panel doctor for minor ailments and receive hospital treatment if the doctor considers it necessary to transfer him to hospital where he would receive every kind of treatment free, viz., X-rays, electric, radium, dental, eye, orthopædic, etc., and if necessary, convalescent treatment at a convalescent home.

An insured person would be entitled to all this kind of treatment free except treatment in a special ward of the hospital; if this is required by him he will have to pay the difference between the cost of a special room and a bed in the general ward.

This is the bare outline of the scheme which is on the same lines as the National Health Insurance scheme of Great Britain.

Copy of letter No. 1806/180, *dated the* 22*nd September* 1932, *from the Association to the Officiating Surgeon-General with the Government of Bombay, Poona.*

Subject:—Hospital Saving Association of Bombay.

I am directed to refer to your letter No. 53 (2) B, dated 20th August 1932, to the Chairman of the Association and to say that my Committee are of the opinion that the scheme for raising funds for Bombay Hospitals by deductions from the wages of mill operatives is unsuited to conditions existing in Bombay.

My Committee would, in the first place, like to point out that having regard to the vastly different conditions in this country it is undesirable to seek to introduce into India schemes of social insurance modelled on those found suitable in Western countries. My Committee agree with the Royal Commission on Labour that "in instituting measures of this kind, there is a greater possibility of achieving success by building on an existing foundation than by introducing methods which are entirely foreign to the country."

Moreover, the provision of free medical attendance and treatment by qualified doctors—either whole or part-time—by practically all mills in the City and Island of Bombay would appear to render a scheme of health insurance of the type referred to in your letter uncalled for in the case of mill operatives. It has also to be borne in mind that the work-people's lack of faith in Western medical methods is, as was pointed out by the Whitley Commission, still an important factor. It is a consideration which, my Committee are inclined to think would militate against the probability of the classes for whom it is intended taking advantage of the scheme to an extent which would not justify its introduction. It is also the view of my Committee that any scheme of social insurance must be broad-based and not restricted to particular classes of the population or to selected industries in special areas.

In these circumstances my Committee regret they cannot see their way to support the scheme proposed in your letter.

APPENDIX 49.

RENEWAL OF MAIL CONTRACT WITH THE BRITISH INDIA STEAM NAVIGATION COMPANY.

Copy of letter No. 6142-G, dated the 12th July 1932, from the Under Secretary to the Government of Bombay, Revenue Department, to the Association.

Subject :—RENEWAL OF MAIL CONTRACT WITH BRITISH INDIA STEAM NAVIGATION COMPANY.

I am directed by the Governor in Council to forward a copy of the letter from the Director-General of Posts and Telegraphs, No. 3 F.M./32, dated 2nd May 1932, and of its accompaniment and to inquire whether you have any suggestions to make for the modification or improvement of the existing mail services provided by the British India Steam Navigation Company.

Copy of letter from the Director-General of Posts and Telegraphs, No. 3-F.M./32, dated the 2nd May 1932.

I am directed to inform you that the Agreement with the British India Steam Navigation Company, Limited, for the conveyance of mails will expire on the 31st January 1934. The services provided for are shown under Clause 6 of the Agreement a copy of which is enclosed.

2. The question of making arrangements for the conveyance after 31st January 1934 has now been taken up, and the Director-General will be much obliged if you will favour him with any suggestions that the Government of Bombay may have to offer for the modification or improvement of the existing mail services.

3. It has been calculated that owing to the opening in 1929 of the land route between Baghdad and Haifa the Indian Post Office is losing over a lakh of rupees annually for the maintenance of the service on line No. 11 (Fast Gulf Service). As there are other services touching at all the ports in the Persian Gulf, there is no necessity for the Fast Service from a postal point of view, and it is under contemplation to omit the Fast Service from whatever arrangements may be made for the future.

Copy of letter No. 1813/168, dated the 23rd September 1932, from the Association to the Under Secretary to the Government of Bombay, Revenue Department, Bombay.

Subject :—RENEWAL OF MAIL CONTRACT WITH BRITISH INDIA STEAM NAVIGATION COMPANY.

I am directed to acknowledge the receipt of your letter No. 6142-G, dated 12th July 1932, on the above subject and to say that my Committee have no suggestions to make

for the modification or improvement of the existing Mail Contract with the British India Steam Navigation Company. They are, however, of the opinion that Government should consider the advisability of inviting tenders for the Contract when it expires in 1934, and give preference, if practicable, to Indian Steamship Companies.

As desired, I return herewith the copy of the agreement forwarded with your letter, dated 12th July.

APPENDIX 50.

TARIFF VALUATIONS UNDER THE INDIAN TARIFF ACT.

INDIAN CUSTOMS TARIFF

(Issued as a Supplement to the "Indian Trade Journal.")

Reprint of Schedules II and III appended to the Indian Tariff Act, VIII of 1894 (as in operation in 1933), showing the rates of Customs duties levied on goods imported into, and exported from, British India, together with the tariff values fixed for certain articles under Government of India, Commerce Department, Notification No. 73-T. (166), dated the 31st December, 1932, for the purpose of assessment of Customs duties during the year 1933.

Note 1.—In the expression "*ad valorem*" used in these Schedules the reference is to "real value" as defined in section 30 of the Sea Customs Act, 1878 (VIII of 1878), unless an article has a tariff value assigned to it.

Note 2.—Tariff-valued heads are based on the ordinary trade description of each article and cover all reduced grades and mixtures unless they are separately provided for.

Note 3.—In this publication, the expression "standard rate of duty" means, in the case of articles included in Parts VIII and IX of the Statutory Tariff, the standard rate of duty as opposed to the preferential rate, and, in the case of other articles, the ordinary rate of duty including surcharges, if any.

SCHEDULE II—IMPORT TARIFF.

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		1.—Food, Drink and Tobacco.					
		FISH.					
1	27	FISH, SALTED, wet	Indian maund of 82⅔ lbs. avoirdupois weight.	....	Such rate or rates of duty not exceeding one rupee as the Governor-General in Council may, by notification in the *Gazette of India*, from time to time prescribe,* *plus* 6¼ per cent. *ad valorem*.		
1A	214	FISH, SALTED, dry	cwt.	....	Rs. 3-8	....	Re. 1-8.
1B	161	FISH, UNSALTED, dry	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff value—					
		Bomlas	cwt.	9 8 0			
2	65	FISH, not otherwise specified	....	*Ad valorem*	25 per cent. ..	....	....
3	66	FISHMAWS, including singally and sozille, and sharkfins.	....	*Ad valorem*	25 per cent. ..	....	....
		FRUITS AND VEGETABLES.					
3A	27A	CURRANTS	cwt.	....	Re. 1-4	....	....
4	162	FRUITS AND VEGETABLES, all sorts, fresh, dried, salted or preserved, not otherwise specified, including vanilla beans.†	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff values—					
		Almonds without shell	cwt.	50 0 0			
		Almonds kāgazi, Persian, in the shell.	,,	50 0 0			
		Almonds in the shell, Persian ..	,,	10 4 0			
		Cashew or cajoo kernels, not skinned.	,,	28 0 0			
		Coconuts, Straits, Dutch East Indies and Siam—					
		Husked	thousand	65 0 0			
		Unhusked.	,,	100 0 0			
		Coconuts, Maldives	,,	21 0 0			
		Coconuts, other	,,	32 0 0			
		Dates, dry, in bags—					
		Basra (Iraq) dates	cwt.	10 0 0			
		All other sorts	,,	5 8 0			
		Dates wet, in bags, baskets and bundles.	,,	3 8 0			
		Dates, wet, packed in other receptacles.	,,	9 0 0			
		Figs, dried, Persian	,,	6 8 0			
		Figs, dried, European..	,,	12 8 0			
		Garlic	,,	7 8 0			
		Pistachio nuts	,,	40 0 0			
		Raisins, red, Persian Gulf	,,	7 4 0			

* The rate on the 1st January 1933, and until further notice is annas 9¾.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, as amended by Notification No. 53, dated the 20th August 1932, raw cashew-nuts are exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		1.—Food, Drink and Tobacco —*contd.*					
		GRAIN, PULSE AND FLOUR.					
5	68	FLOUR except sago flour	....	....	Wheat flour—Rs. 2-8 per cwt., all others—25 per cent. *ad valorem*.	....	....
		Tariff value— Cassava or Tapioca flour	cwt.	6 8 0			
6	1A	GRAIN AND PULSE, all sorts, including broken grains and pulse, but excluding flour (*see* Serial Nos. 5 and 7).	....	....	Wheat — Rs. 2 per cwt., all others—free.	....	....
7	1B	SAGO FLOUR	....	....	Free	....	....
		LIQUORS.					
8	215	ALE AND BEER	In barrels or other containers containing 27 oz. or more, per imperial gallon.	....	Re. 1-2	Fourteen annas.	....
			In bottles containing less than 27 oz. but not less than 20 oz., per bottle.	....	Three annas ..	Two annas and four pies.	....
			In bottles containing less than 13⅓ oz. but not less than 10 oz., per bottle.	....	One anna and six pies.	One anna and two pies.	....
			In bottles containing less than 6⅔ oz. but not less than 5 oz., per bottle.	....	Nine pies	Seven pies ..	..
			In other containers, per imperial gallon.	....	Re. 1-8	Re. 1-2-8 ..	....
9	28	PORTER, cider and other fermented liquors except ale and beer.	In barrels or other containers containing 27 oz. or more, per imperial gallon.	....	Fifteen annas ..	....	....
			In bottles containing less than 27 oz. but not less than 20 oz., per bottle.	....	Two annas and six pies.	....	....
			In bottles containing less than 13⅓ oz. but not less than 10 oz., per bottle.	....	One anna and three pies.	....	....
			In bottles containing less than 6⅔ oz. but not less than 5 oz., per bottle.	....	Seven and half pies.	....	....
			In other containers, per imperial gallon.	....	Re. 1-4	....	....
10	29	DENATURED SPIRIT	....	*Ad valorem*	9⅜ per cent. ..	....	....
		Tariff value— Spirit from Java denatured before clearance.	Imperial gallon.	0 13 9			
11	30	SPIRITS (other than denatured spirit)—					
		(1) Brandy, gin, whisky, and other sorts of spirits not otherwise specified, including wines containing more than 42 per cent. of proof spirit.	Imperial gallon of the strength of London proof.	....	Rs. 37-8	....	..

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		1.—Food, Drink and Tobacco —*contd.*					
		LIQUORS—*contd.*					
		(2) Liqueurs, cordials, mixtures and other preparations containing spirit not otherwise specified—					
		(i) entered in such a manner as to indicate that the strength is not to be tested	Imperial gallon.	....	Rs. 50	....	....
		(ii) not so entered	Imperial gallon of the strength of London proof.	....	Rs. 37-8	....	....
		Provided that—					
		(*a*) the duty on any article included in this item shall in no case be less than the duty which would be charged if the article were included in Part V of the Statutory Schedule (i.e., 25 per cent. *ad valorem*) ;					
		(*b*) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.					
12	216	SPIRITS—					
		(1) Bitters—					
		(i) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon.	....	Rs. 50	....	Rs. 45.
		(ii) not so entered	Imperial gallon of the strength of London proof.	....	Rs. 37-8	....	Rs. 33-12.
		(2) Drugs and medicines containing spirit—					
		(i) entered in such a manner as to indicate that the strength is not to be tested.	Imperial gallon.	....	Rs. 40	Rs. 36 ..	Rs. 36.
		(ii) not so entered	Imperial gallon of the strength of London proof.	....	Rs. 29	Rs. 26 ..	Rs. 26.
		(3) Perfumed spirits	Imperial gallon.	....	Rs. 60	Rs. 52-8 ..	....
		(4) Rum	Imperial gallon of the strength of London proof.	....	Rs. 37-8	....	Rs. 33-12.
		Provided that—					
		(*a*) on any article chargeable under this item with the lower rate of duty, the duty levied shall in no case be less than 20 per cent. *ad valorem*, and on any article chargeable under this item with the higher rate of duty, the duty levied shall in no case be less than 30 per cent. *ad valorem* ;					
		(*b*) where the unit of assessment is the imperial gallon of the strength of London proof, the duty shall be increased or reduced in proportion as the strength is greater or less than London proof.					
13	31	WINES, not containing more than 42 per cent. of proof spirit—					
		(1) Champagne and other sparkling wines.	Imperial gallon.	....	Rs. 13-2	....	....
		(2) Other sorts	Imperial gallon.	....	Rs. 7-8	....	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		1.—Food, Drink and Tobacco —*contd.*					
		PROVISIONS AND OILMAN'S STORES.					
14A	163	COCOA AND CHOCOLATE other than confectionery.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
14B	164	COFFEE, canned or bottled	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	20 per cent.
14C	165	FISH, canned	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	20 per cent.
14D	166	FRUIT JUICES	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	20 per cent.
14E	167	FRUITS AND VEGETABLES, canned or bottled.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	20 per cent.
		Tariff value— China canned fruit	case of 4 doz.	8 0 0			
14F	168	MILK, condensed or preserved, including milk cream.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
14G	169	SAGO (excluding sago flour) and Tapioca..	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff value— Cassava, Tapioca or Sago (whole) ..	cwt.	7 0 0			
14H	170	CANNED OR BOTTLED PROVISIONS, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		N.B.—For tariff values under this item *see* those marked with an asterisk (*) under Serial No. 14I below.					
14I	69	PROVISIONS AND OILMAN'S STORES AND GROCERIES, all sorts not otherwise specified; including also the following articles if canned or bottled, namely, bacon, ham, biscuits, cakes, butter, vegetable product, cheese, farinaceous and patent foods, ghee, isinglass, jams and jellies, lard, pickles, chutnies, sauces and condiments.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values— Butter	lb.	1 1 0			
		*China preserves in syrup	box of six large or twelve small jars.	5 8 0			
		*China preserves, dry, candied ..	lb.	0 3 6			
		Cocum	cwt.	7 0 0			
		Ghee	,,	54 0 0			
		Vegetable product (excluding hardened coconut oil).	lb.	0 4 9			
		Vermicelli, flour, from China and the Far East.	cwt.	18 0 0			
		Vermicelli, peas, from China and the Far East.	,,	21 0 0			
		Vermicelli, rice, from China and the Far East.	,,	17 0 0			
		*Yeast, from China and the Far East.	,,	18 0 0			
		N.B.—The tariff values given in this item apply also to imports assessed to duty as canned or bottled provisions under Serial No. 14H above.					
15	48	VINEGAR, in casks	....	*Ad valorem*	2½ per cent. ..	....	....
		SPICES.					
16	217	THE FOLLOWING UNGROUND SPICES, namely :—					
		Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper.	....	*Ad valorem*	45 per cent. ..	....	37½ per cent.
		Tariff values— Cardamom seed	cwt.	55 0 0			
		Cassia lignea	,,	10 8 0			
		Cloves	,,	48 0 0			
		Cloves, exhausted	,,	21 4 0			
		Cloves stems and heads	,,	6 0 0			
		Cloves in seeds, narlavang	,,	20 0 0			
		Nutmegs	lb.	0 6 0			
		Nutmegs in shell	,,	0 3 6			
		Pepper, black	cwt.	30 0 0			
		Pepper, long	,,	35 0 0			
		Pepper, white	,,	50 0 0			
16A	218	THE FOLLOWING UNGROUND SPICES, namely :—					
		Chillies, ginger and mace	....	*Ad valorem*	30 per cent. ..	....	22½ per cent.
		Tariff values— Ginger, dry, unground	cwt.	22 0 0			
		Mace, unground	lb.	0 15 6			

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of —	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		I.—Food, Drink and Tobacco —*contd.*					
		SPICES—*contd.*					
16B	124A	THE FOLLOWING SPICES, when not unground, namely :—					
		Cardamoms, cassia, cinnamon, cloves, nutmegs and pepper.	....	*Ad valorem*	37½ per cent. ..	....	....
		SUGAR.					
17	213	CONFECTIONERY	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....
18	157	SUGAR AND SUGAR-CANDY, excluding confectionery.	cwt.	....	Rs. 9-1	....	....
		TEA.					
19	219	TEA	lb.	....	Five annas ..	....	Three annas.
		OTHER FOOD AND DRINK.					
20	220	COFFEE, not otherwise specified	....	*Ad valorem*	25 per cent. *plus* one anna per pound.	....	25 per cent.
21	1	HOPS	....	....	Free	....	....
22	34	MOLASSES	....	*Ad valorem*	31¼ per cent. ..	....	....
		Tariff values— Molasses—					
		(i) imported in bulk by tank steamer.	cwt.	1 13 0			
		(ii) otherwise imported	,,	2 5 0			
23	34A	SACCHARINE (except in tablets) and such other substances as the Governor-General in Council may, by notification in the *Gazette of India*, decare to be of a like nature or use to saccharine.	lb.	....	Rs. 6-4	....	....
23A	34B	SACCHARINE TABLETS	....	*Ad valorem*	18¾ per cent. or Rs. 6-4 per pound of saccharine contents, whichever is higher.	....	....
24	35	SALT, excluding Salt exempted under Serial No. 25.	Indian maund of 82-2/7 lbs. avoirdupois weight.	....	The rate at which excise duty is for the time being leviable on salt manufactured in the place where the import takes place,* *plus* 2½ annas per maund if manufactured outside India.	....	....
25	2	SALT IMPORTED INTO BRITISH INDIA AND ISSUED, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in any process of manufacture; also salt imported into the port of Calcutta and issued with the sanction of the Government of Bengal to manufacturers of glazed stoneware; also salt imported into any port in the provinces of Bengal and Bihar and Orissa and issued, in accordance with rules made with the previous sanction of the Governor-General in Council, for use in curing fish in those provinces. (For the general duty on salt, *see* Serial No. 24.)	....	....	Free	....	....
26	73	ALL OTHER SORTS OF FOOD AND DRINK not otherwise specified.	....	*Ad valorem*	25 per cent. ..	....	....
		TOBACCO.					
27	37	CIGARS	....	*Ad valorem*	112½ per cent. ..	....	....
28	37A	CIGARETTES OF VALUE— (*a*) not exceeding Rs. 10-8 per thousand.†	thousand	....	Rs. 10-10	....	....
		(*b*) exceeding Rs. 10-8 per thousand..	,,	....	Rs. 15	....	....
		Note.—For the purposes of this item, 'value' means real value as defined in Section 30 of the Sea Customs Act, 1878, provided that the deduction allowed under clause (*a*) of that section shall be calculated in all cases as if the cigarettes were classified under sub-item (*a*).					

* The rate of excise duty on the 1st January 1933, and until further notice is Rs. 1-9-0.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, cigarettes of value not exceeding Rs. 6 per thousand are liable to import duty at Rs. 8-8 per thousand, provided that, for the purposes of this reduction, no cigarettes of which the real value is ascertainable under clause (*a*) of Section 30 of the Sea Customs Act, 1878, shall be deemed to have a value not exceeding Rs. 6 per thousand if, before deduction is made on account of the import duties payable, the wholesale cash price, less trade discount, referred to in that clause exceeds the sum of Rs. 14-8.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		I.—Food, Drink and Tobacco —*concld.*					
		TOBACCO—*contd.*					
29	221	TOBACCO, unmanufactured	lb.	....	Rs. 2	....	Re. 1-8.
30	38	ALL OTHER SORTS OF TOBACCO, manufactured.	lb.	....	Rs. 3-12	....	....
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured.					
		COAL, COKE AND PATENT FUEL.					
31	39	COAL, COKE AND PATENT FUEL	ton	....	Ten annas.. ..	....	....
		DYES AND COLOURS.					
31A	2A	BARKS for tanning	....	....	Free	....	....
		GUMS, RESINS AND LAC.					
32	10B	STICK OR SEED LAC	....	....	Free	....	....
33	171	GUMS, Arabic, Benjamin (ras and cowrie) and Dammer (including unrefined batu) and rosin.	....	*Ad valorem*	30 per cent ..	....	20 per cent.
		Tariff values.—					
		Dammer batu, unrefined	cwt.	6 4 0			
		Gum Arabic, other than ground ..	"	24 0 0			
		Gum Benjamin, ras	"	25 0 0			
		Gum Benjamin, cowrie	"	58 4 0			
		Gum Dammer (or Copal)	"	25 0 0			
		Rosin	"	9 8 0			
33A	74	GUMS, RESINS AND LAC, all sorts not otherwise specified.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values —					
		Gum Ammoniac	cwt.	30 0 0			
		Gum Bysabol (coarse myrrh) ..	"	20 0 0			
		Gum olibanum or frankincense ..	"	11 0 0			
		Gum Persian (false)	"	10 8 0			
		Myrrh	"	20 0 0			
		HIDES AND SKINS, RAW.					
34	3	HIDES AND SKINS, raw or salted	....	....	Free	....	....
		METALLIC ORES AND SCRAP IRON OR STEEL FOR RE-MANUFACTURE.					
35	58	IRON OR STEEL, old	....	*Ad valorem*	15$\frac{5}{8}$ per cent. ..	....	....
		Tariff value.—					
		Iron or Steel, old	cwt.	1 6 0			
36	4	METALLIC ORES, all sorts except ochres and other pigment ores.	....	....	Free	....	....
		OILS.					
37A	172	THE FOLLOWING NATURAL ESSENTIAL OILS, namely, citronella, cinnamon, and cinnamon leaf.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	20 per cent.
		Tariff value.—					
		Citronella oil, natural, from Ceylon, Straits, China, Japan and the Far East.	lb.	1 6 0			
37B	173	NATURAL ESSENTIAL OILS, all sorts not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		Tariff value.—					
		Cassia oil, natural, from Ceylon, Straits, China, Japan and the Far East.	lb.	1 0 0			
37C	174	ESSENTIAL OILS, synthetic	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
37D	175	FISH OIL including whale oil	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
38A	40	KEROSENE; also any mineral oil other than kerosene and motor spirit which has its flashing point below one hundred degrees of Fahrenheit's thermometer by Abel's close test.	Imperial gallon.	....	Three annas and nine pies.	....	....
38B	40A	MOTOR SPIRIT	Imperial gallon.	....	Ten annas.. ..	....	....
38C	41	MINERAL OIL—					
		(1) which has its flashing point at or above two hundred degrees of Fahrenheit's thermometer, and is ordinarily used for the batching of jute or other fibre;	ton	....	Rs. 15-10	....	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs a. p.			
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured—*contd.*					
		OILS—*contd.*					
		(2) which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes.	....	*Ad valorem*	12½ per cent. ..	....	....
		Tariff value.— Mineral oil which has its flashing point at or above one hundred and fifty degrees of Fahrenheit's thermometer, and is such as is not ordinarily used except as fuel or for some sanitary or hygienic purposes, if imported in bulk.	ton	42 8 0			
38D	222	LUBRICATING OIL, that is, oil such as is not ordinarily used for any other purpose than lubrication, excluding any mineral oil which has its flashing point below two hundred degrees of the Fahrenheit thermometer by Abel's close test.	Imperial gallon.	....	Two annas and six pies.	Six pies. ..	....
39A	223	THE FOLLOWING VEGETABLE NON-ESSENTIAL OILS, namely, coconut, groundnut, and linseed.	....	*Ad valorem*	35 per cent. ..	....	25 per cent.
		Tariff values.— Coconut oil	cwt.	15 8 0			
		Linseed oil, raw or boiled	Imperial gallon.	2 4 0			
39B	224	VEGETABLE NON-ESSENTIAL OILS not otherwise specified.	....	*Ad valorem*	35 per cent. ..	25 per cent. ..	25 per cent.
40	75	ALL SORTS OF ANIMAL AND MINERAL OILS not otherwise specified, and the following Natural Essential Oils, namely, almond, bergamot, gajupatti, camphor, cloves, eucalyptus, lavender, lemon, ottorose and peppermint.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values.— Gajuputty oil, natural, from Ceylon, Straits, China, Japan and the Far East.	lb.	1 6 0			
		Peppermint oil, natural, from Ceylon, Straits, China, Japan and the Far East.		3 6 0			
		SEEDS.					
41		OIL-SEEDS imported into British India by sea from the territories of any Prince or Chief in India.	....	....	Free	....	....
41A	176	OIL-SEEDS, non-essential, all sorts not otherwise specified, including copra or coconut kernel.*	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff value— Copra or coconut kernel	cwt.	10 0 0			
42	76	SEEDS, all sorts not otherwise specified ..	....	*Ad valorem*	25 per cent. ..	....	....
		TALLOW, STEARINE AND WAX.					
43	178	BEESWAX	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
43A	6A	TALLOW	....	....	Free	....	....
44	77	ALL SORTS OF STEARINE, wax, grease and animal fat not otherwise specified.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values— Mineral grease	lb.	0 3 6			
		Petroleum jelly, white	"	0 6 8			
		Petroleum jelly, all other sorts ..	"	0 2 11			
		Vegetable wax, other than carnauba wax.	cwt.	29 0 0			
		TEXTILE MATERIALS.					
45	41A	COTTON, raw	pound	....	Six pies	....	....
45A	177	SISAL AND ALOE FIBRE	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
46	78	TEXTILE MATERIALS, the following :—	....	*Ad valorem*	Raw hemp—18¾ per cent., all others—25 per cent.	....	....
		Silk waste, and raw silk including cocoons, raw flax, hemp, jute and all other unmanufactured textile materials not otherwise specified.					

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, tung oil seeds are exempt from payment of import duty for a period of three years from 17th October 1931.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs. a. p.			
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured—*contd.*					
		TEXTILE MATERIALS—*contd.*					
		Tariff values—					
		Hemp, raw	cwt.	16 0 0			
		Silk, raw—					
		(*a*) Bokhara..	lb.	12 0 0			
		(*b*) Chinese—					
		Mathow	,,	2 3 0			
		Panjam	,,	1 8 0			
		White Shanghai, Thonkoon or Duppion.	,,	2 12 0			
		White Shanghai, other kinds.	,,	4 4 0			
		White, other kinds	,,	3 4 0			
		Yellow, Shanghai	,,	4 0 0			
		Yellow, other kinds	,,	3 5 0			
		(*c*) Persian	,,	7 0 0			
		(*d*) Siam	,,	5 0 0			
47	8	WOOL, raw, and wool-tops	....	....	Free	....	....
		WOOD AND TIMBER.					
48	49	FIREWOOD	....	*Ad valorem*	2½ per cent. ..	....	....
49	79	WOOD AND TIMBER, all sorts, not otherwise specified, including all sorts of ornamental wood.	....	*Ad valorem*	25 per cent. ..	....	....
		MISCELLANEOUS.					
50	80	CANES AND RATTANS	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values—					
		Canes—					
		Malacca	100 pieces	26 0 0			
		Chimity	,,	9 8 0			
		Tries	,,	6 8 0			
		Root moonah	,,	17 8 0			
		Mannu	,,	15 0 0			
		Polo, all kinds—					
		Not exceeding 10 feet in length..	,,	53 0 0			
		Exceeding 10 feet in length ..	,,	80 0 0			
		Tohite	cwt.	21 0 0			
		Rattans—					
		Chair	cwt.	16 12 0			
		Basket	,,	7 8 0			
		Outers	,,	60 0 0			
		Inners	,,	40 0 0			
50A	8A	CHINA CLAY	....	....	Free	....	....
51	81	COWRIES AND SHELLS	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values—					
		Cowries, bazar, common	cwt.	4 10 0			
		Cowries, yellow, superior quality ..	,,	4 12 0			
		Cowries, Maldive	,,	19 4 0			
		Cowries, Sankhli	,,	87 0 0			
		Mother-of-pearl, nacre	,,	21 4 0			
		Nakhla	,,	99 0 0			
		Tortoise-shell	lb.	6 0 0			
		Tortoise-shell, nakh	,,	2 0 0			
52	179	IVORY, unmanufactured	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff values—					
		Elephants' grinders	cwt.	300 0 0			
		Elephants' tusks (other than hollows, centres, and points), each exceeding 20 lb. in weight, and hollows, centres, and points each weighing 10 lb. and over.	,,	560 0 0			
		Elephants' tusks (other than hollows, centres, and points), not less than 10 lb. and not exceeding 20 lb. each, and hollows, centres, and points each weighing less than 10 lb.	,,	460 0 0			
		Elephants' tusks each less than 10 lb. (other than hollows, centres, and points).	,,	250 0 0			
		Sea-cow or moye teeth, each not less than 4 lb.	,,	275 0 0			
		Sea-cow or moye teeth, each not less than 3 lb. and under 4 lb.	,,	220 0 0			
		Sea-cow or moye teeth, each less than 3 lb.	,,	130 0 0			
53	9	MANURES, all sorts, including animal bones and the following chemical manures:— Basic slag, nitrate of ammonia, nitrate of soda, muriate of potash, sulphate of ammonia, sulphate of potash, kainit salts, carbo lime, urea, nitrate of lime, calcium cyanamide, ammonium phosphates, mineral phosphates and mineral superphosphates.	....	....	Free ..	....	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs. a. p.			
		II.—Raw Materials and Produce and Articles Mainly Unmanufactured—*contd.*					
		MISCELLANEOUS—*contd.*					
54	5	PRECIOUS STONES, unset and imported uncut, and Pearls, unset.	..	....	Free	....	....
55	83	PRECIOUS STONES, unset and imported cut (*see* Serial No. 54).	....	*Ad valorem*	25 per cent. ..	....	....
56	10	RAGS and other paper-making materials excluding wood pulp.	....	....	Free	....	....
57	10A	RUBBER STUMPS, rubber seeds and raw rubber.	....	....	Free	....	....
58	84	ALL OTHER RAW MATERIALS AND PRODUCE and articles mainly unmanufactured, not otherwise specified.*	....	*Ad valorem*	25 per cent. ..	....	....
		III.—Articles Wholly or Mainly Manufactured.					
		APPAREL.					
59	180	APPAREL, including hats, caps, bonnets and hatters' ware, second-hand clothing, drapery and uniforms and accoutrements, excluding articles made of wool, articles made of gold or silver thread or lametta, articles made of silk or silk mixtures or of artificial silk or artificial silk mixtures, uniforms and accoutrements exempted from duty under Serial No. 60, and boots and shoes; excluding also waterproofed clothing.	....	*Ad valorem*	30 per cent ..	20 per cent. ..	20 per cent.
59A	225	BOOTS AND SHOES composed mainly of leather.	....	*Ad valorem*	30 per cent. or 5 annas per pair, whichever is higher.	20 per cent. or 5 annas per pair, whichever is higher.	....
59B	41B	BOOTS AND SHOES not otherwise specified.	....	*Ad valorem*	25 per cent. or 5 annas per pair, whichever is higher.	....	....
59C	41C	UPPERS for boots and shoes unless entirely made of leather.	....	*Ad valorem*	25 per cent. or 2½ annas per pair, whichever is higher.	....	....
60	11	UNIFORMS AND ACCOUTREMENTS appertaining thereto, imported by a public servant for his personal use.	....	....	Free	....	....
		ARMS, AMMUNITION AND MILITARY STORES.					
61	226	CARTRIDGE CASES, filled and empty ..	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....
61A	227	SUBJECT to the exemptions specified in Serial No. 64—Firearms, including gas and air guns, gas and air rifles and gas and air pistols, not otherwise specified, but excluding parts and accessories thereof.	....	each	Rs. 18-12 *plus* 10 per cent. *ad valorem*, or 50 per cent. *ad valorem*, whichever is higher.	Rs. 18-12 or 40 per cent. *ad valorem*, whichever is higher.	....
61B	42	SUBJECT to the exemptions specified in Serial No. 64—					
		(1) Barrels, whether single or double, for firearms, including gas and air guns, gas and air rifles, and gas and air pistols, not otherwise specified.	each	....	Rs. 18-12 or 37½ per cent. *ad valorem*, whichever is higher, *plus* 12½ per cent. *ad valorem*.	....	....
		(2) Main springs and magazine springs for firearms, including gas guns, gas rifles and gas pistols.	,,	....	Rs. 6-4	....	.. .
		(3) Gun stocks and breech blocks ..	,,	....	Rs. 3-12	....	....
		(4) Revolver-cylinders, for each cartridge they will carry.	,,	....	Rs. 2-8	....	....
		(5) Actions (including skeleton and waster) breech bolts and their heads, cocking pieces, and locks for muzzle loading arms.	,,	....	Re. 1-4	....	....
		(6) Machines for making, loading, or closing cartridges for rifled arms.	....	*Ad valorem*	50 per cent. ..	....	....
		(7) Machines for capping cartridges for rifled arms.	....	*Ad valorem*	50 per cent. ..	....	....
62	125	GUNPOWDER for cannons, rifles, guns, pistols and sporting purposes.	....	*Ad valorem*	50 per cent. ..	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, unmanufactured Mica is exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No in the Statutary Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		ARMS, AMMUNITION AND MILITARY STORES—*contd.*					
63	126	Save where otherwise specified, all articles which are arms or parts of arms within the meaning of the Indian Arms Act, 1878 (excluding springs used for air-guns), all tools used for cleaning or putting together the same, all machines for making, loading, closing or capping cartridges for arms other than rifled arms and all other sorts of ammunition and military stores, and any articles which the Governor-General in Council may, by notification in the *Gazette of India*, declare to be ammunition or military stores for the purposes of this Act.	....	*Ad valorem*	50 per cent. ..	....	....
64	12	The following ARMS, AMMUNITION AND MILITARY STORES :—	....	....	Free	....	....
		(*a*) Arms forming part of the regular equipment of a commissioned or gazetted officer in His Majesty's Service entitled to wear diplomatic, military, naval, Royal Air Force or police uniform.					
		(*b*) A revolver and an automatic pistol and ammunition for such revolver and pistol up to a maximum of 100 rounds per revolver or pistol, (*i*) when accompanying a commissioned officer of His Majesty's regular forces, or of the Indian Auxiliary Force or the Indian Territorial Force or a gazetted police officer, or (*ii*) certified by the commandant of the corps to which such officer belongs, or, in the case of an officer not attached to any corps, by the officer commanding the station or district in which such officer is serving or, in the case of a police officer, by an Inspector-General or Commissioner of Police, to be imported by the officer for the purpose of his equipment.					
		(*c*) Swords for presentation as army or volunteer prizes.					
		(*d*) Arms, ammunition, and military stores imported with the sanction of the Government of India for the use of any portion of the military forces of a State in India being a unit notified in pursuance of the First Schedule to the Indian Extradition Act, 1903.					
		(*e*) Morris tubes and patent ammunition imported by officers commanding British and Indian regiments or volunteer corps for the instruction of their men.*					
65	86A	ORNAMENTAL ARMS of an obsolete pattern possessing only an antiquarian value; masonic and theatrical and fancy dress swords, provided they are virtually useless for offensive or defensive purposes; and *dahs* intended exclusively for domestic, agricultural and industrial purposes.	....	*Ad valorem*	25 per cent. ..	....	....
66	86	EXPLOSIVES, namely, blasting gunpowder, blasting gelatine, blasting dynamite, blasting roburite, blasting tonite, and all other sorts, including detonators and blasting fuze.†	....	*Ad valorem*	25 per cent. ..	....	....
		CHEMICALS, DRUGS AND MEDICINES.					
67	13	ANTI-PLAGUE SERUM	....	....	Free.	....	....
68	13A	BLEACHING PASTE AND BLEACHING POWDER.	....	....	Free	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, ·22 inch Adapters imported by officers commanding a unit of the Army in India for the instruction of their men are also exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, certain specified explosives specially adapted for use in dangerous coal mines are exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		CHEMICALS, DRUGS AND MEDICINES—*contd.*					
68A	127	CAMPHOR	....	*Ad valorem*	50 per cent. ..	..	....
		Tariff values.—					
		Camphor, refined, other than powder.	lb.	1 12 0			
		Camphor, powder, other than synthetic.	,,	1 6 0			
		Camphor, synthetic, tablets and slabs.	,,	1 9 0			
		Camphor, synthetic, powder	,,	1 2 0			
69	50	COPPERAS, green (ferrous sulphate) ..	....	*Ad valorem*	2½ per cent. ..	....	....
70	42B	OPIUM and its alkaloids and their derivatives.	seer of 80 tolas.	....	Rs. 30 or 18¾ per cent. *ad valorem*, whichever is higher.	....	....
71	14	CINCHONA BARK and the alkaloids extracted therefrom including Quinine and alkaloids derived from other sources which are chemically identical with alkaloids extracted from cinchona bark.	....	....	Free	....	....
72	141B	HEAVY CHEMICALS :—					
		Magnesium chloride	cwt.	....	Eight annas and nine pies.	....	....
73	14B	SULPHUR	....	....	Free	....	....
74	228	The following CHEMICALS, namely, cadmium sulphide, cobalt oxide, selenium, uranium oxide and zinc oxide.	....	*Ad valorem*	25 per cent. ..	15 per cent. ..	....
74A	88	The following CHEMICALS, DRUGS AND MEDICINES, namely, acetic, carbolic, citric and oxalic acids, naphthalene, potassium chlorate and potassium cyanide, bicarbonate of soda, borax, sodium, silicate, arsenic, calcium carbide, glycerine, alum (namely potash alum, soda alum and ammonia alum), lead, magnesium and zinc compounds not otherwise specified, aloes, asafœtida, cocaine, sarsaparilla and storax.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values.					
		Arsenic (China mansil)	cwt.	47 0 0			
		Borax, granular, powdered or crystalline (in bulk).	,,	10 8 0			
		Calcium carbide	,,	14 0 0			
		Chlorate of potash	,,	24 0 0			
		Naphthalene balls	,,	11 0 0			
		Sodium bicarbonate	,,	7 6 0			
		Sodium silicate (in liquid form) ..	,,	7 10 0			
		Asafœtida (hing)	,,	61 0 0			
		Asafœtida, coarse (hingra)	,,	20 0 0			
74B	181	CHEMICALS, DRUGS AND MEDICINES, all sorts not otherwise specified.*	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	20 per cent
		Tariff values.—					
		Alkali, Indian (sajji-khar)	cwt.	3 0 0			
		Ammonia gas, anhydrous, including compressed or liquefied gas.	lb.	0 9 0			
		Ammonium carbonate or bicarbonate.	cwt.	24 0 0			
		Ammonium chloride—					
		Muriate of Ammonia, crystalline ..	,,	14 8 0			
		Salammoniac, sublimed	,,	25 0 0			
		Other sorts, including compressed..	,,	18 0 0			
		Boric acid (in bulk)	,,	16 8 0			
		Calcium chloride	,,	4 4 0			
		Carbonic acid gas including compressed or liquefied gas.	lb.	0 3 6			
		Chlorine	,,	0 4 9			
		Menthol (peppermint) crystals ..	oz.	0 11 6			
		Potassium bichromate	cwt.	33 8 0			
		Soda ash including calcined natural soda and manufactured sesquicarbonates.	,,	5 12 0			
		Soda, caustic, flake	,,	13 10 0			
		Soda, caustic, powdered	,,	14 4 0			
		Soda, caustic, solid	,,	10 12 0			
		Soda crystals	,,	6 8 0			
		Sodium bichromate	,,	28 0 0			
		Sodium hyposulphite (in bulk) ..	,,	11 8 0			
		Tartaric acid in kegs or in bulk ..	,,	71 0 0			
		Trona or natural soda, uncalcined .	,,	4 0 0			
		Bànslochan (bamboo camphor) ..	lb.	1 6 0			
		Calumba root	cwt.	5 4 0			
		China root (Chobchini) rough ..	,,	13 8 0			
		China root (Chobchini) scraped ..	,,	23 8 0			
		Cubebs	,,	48 0 0			
		Galangal, China	,,	11 4 0			
		Salep	,,	170 0 0			

Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, calcium acetate and radium salts are exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		CONVEYANCES.					
75	142	COAL-TUBS, tipping waggons and the like conveyances designed for use on light rail track, if adapted to be worked by manual or animal labour and if made mainly of iron or steel; and component parts thereof made of iron or steel—					
		(*a*) if of British manufacture.. ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*b*) if not of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 18-12 per ton.	....	....
75A	182	CARRIAGES AND CARTS which are not mechanically propelled, not otherwise specified, and cycles (other than motor cycles) imported entire or in sections and parts and accessories thereof; excluding rubber tyres and tubes.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
76	229	MOTOR CARS including taxicabs and articles (other than rubber tyres and tubes) adapted for use as parts and accessories thereof provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles included in this item or in Serial Nos. 76A and 76B shall be dutiable at the rate of duty specified for such articles.	....	*Ad valorem*	37½ per cent. ..	30 per cent. ..	....
76A	42A	MOTOR CYCLES AND MOTOR SCOOTERS AND ARTICLES (other than rubber tyres and tubes) adapted for use as parts and accessories thereof except such articles as are also adapted for use as parts and accessories of motor cars.	....	*Ad valorem*	37½ per cent. ..	....	....
76B	230	MOTOR OMNIBUSES; chassis of motor omnibuses, motor vans and motor lorries; and parts of mechanically propelled vehicles and accessories not otherwise specified, excluding rubber tyres and tubes and such parts and accessories of motor vehicles included in this item as are also adapted for use as parts and accessories of motor cars.	....	*Ad valorem*	25 per cent. ..	17½ per cent..	....
77	87	TRAMCARS, PASSENGER LIFTS, and all other sorts of conveyances not otherwise specified and component parts and accessories thereof; also motor vans and motor lorries imported complete.	....	*Ad valorem*	25 per cent. ..	....	....
		CUTLERY HARDWARE, IMPLEMENTS AND INSTRUMENTS.					
78	15	The following AGRICULTURAL IMPLEMENTS, namely, winnowers, threshers, mowing and reaping machines, binding machines, elevators, seed and corn crushers, chaff-cutters, root-cutters, ensilage-cutters, horse and bullock gears, ploughs, cultivators, scarifiers, harrows, clod-crushers, seed-drills, hay-tedders, hay presses, potato diggers, latex spouts, spraying machines, powder-blowers, white-ant exterminating machines, beet pullers, broadcast seeders, corn pickers, corn shellers, culti-packers, drag scrapers, stalk cutters, huskers and shredders, potato planters, lime sowers, manure spreaders, listers, soil graders, and rakes; also agricultural tractors, also component parts of these implements, machines or tractors, provided that they can be readily fitted into their proper places in the implements, machines or tractors for which they are imported, and that they cannot ordinarily be used for purposes unconnected with agriculture.*	....	....	Free	....	....
79	129	ARTICLES, other than cutlery and surgical instruments, plated with gold or silver.†	....	*Ad valorem*	50 per cent. ..	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, the following agricultural machines and implements, namely, flame throwers for attachment to spraying machines designed for the extermination of locusts, and latex cups, are exempt from payment of import duty.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, articles or imitation jewellery (including buttons and other fasteners) which consist of, or include, base metal plated with gold or silver and in which the proportion of precious metal to total metallic contents is less than 1·5 per cent., are liable to duty as "hardware, other sorts" at the standard rate of 30 per cent. *ad valorem*, or the preferential rate of 20 per cent. *ad valorem*, as the case may be, under Serial No. 84A.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of — The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS—*contd.*					
80	128	CLOCKS AND WATCHES and parts thereof..	....	*Ad valorem*	50 per cent.	....	....
81	231	CUTLERY plated with gold or silver ..	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....
81A	183	CUTLERY, all sorts, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
82	16	The following DAIRY AND POULTRY FARMING APPLIANCES, namely, cream separators, milking machines, milk sterilizing or pasteurizing plant, milk aerating and cooling apparatus, churns, butter dryers, butter workers, milk-bottle fillers and cappers, apparatus specially designed for testing milk and other dairy produce, and incubators; also component parts of these appliances, provided that they can be readily fitted into their proper places in the appliances for which they are imported, and that they cannot ordinarily be used for other than dairy and poultry farming purposes.	....	....	Free	....	....
82A	184	DOMESTIC REFRIGERATORS	...	*Ad valorem*	30 per cent. .	20 per cent. ..	....
82B	232	ELECTRIC LIGHTING BULBS	....	*Ad valorem*	50 per cent. ..	40 per cent. .	....
83	186	The following ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely:—	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		(*a*) Electrical control gear and transmission gear, namely, switches (excluding switch-boards), fuses and current-breaking devices of all sorts and descriptions, designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts, and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables, any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, and wires and cables of other metals of not more than equivalent conductivity; and line insulators, including also cleats, connectors, leading-in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purposes, and the fittings thereof;					
		(*b*) All other sorts of electrical instruments, apparatus and appliances not otherwise specified, excluding telegraphic and telephonic.					
83A	90	The following ELECTRICAL INSTRUMENTS, APPARATUS AND APPLIANCES, namely, telegraphic and telephonic instruments, apparatus and appliances not otherwise specified, flash lights, carbons, condensers, and bell apparatus; and switch-boards designed for use in circuits of less than ten amperes and at a pressure not exceeding 250 volts.*	....	*Ad valorem*	25 per cent. .	....	....
83B	232A	GOLD OR GOLD-PLATED PEN NIBS ..	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....
84	89	The following HARDWARE, IRONMONGERY AND TOOLS, namely, agricultural implements not otherwise specified, buckets of tinned or galvanised iron and pruning knives.	....	*Ad valorem*	25 per cent. .	....	....
84A	185	HARDWARE, IRONMONGERY AND TOOLS, all sorts not otherwise specified, including incandescent mantles but excluding machine tools and agricultural implements.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		Tariff value.— Crown corks	gross	0 9 6			
85	17	INSTRUMENTS, APPARATUS AND APPLIANCES, imported by a passenger as part of his personal baggage and in actual use by him in the exercise of his profession or calling.	....	....	Free	....	....
86	130	The following MUSICAL INSTRUMENTS, namely, complete organs and harmoniums and records for talking machines.	....	*Ad valorem*	50 per cent. ..	....	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		CUTLERY, HARDWARE, IMPLEMENTS AND INSTRUMENTS—*concld.*					
86A	233	MUSICAL INSTRUMENTS and parts thereof, all sorts not otherwise specified.	....	*Ad valorem*	50 per cent. ..	40 per cent. .	...
86B	91	OPTICAL INSTRUMENTS, APPARATUS AND APPLIANCES.	....	*Ad valorem*	25 per cent. .	....	...
87	59	TELEGRAPHIC INSTRUMENTS AND APPARATUS, and parts thereof imported by, or under the orders of, a Railway Administration.	....	*Ad valorem*	15⅝ per cent ..	...	....
88	18	WATER-LIFTS, SUGAR-MILLS, SUGAR CENTRIFUGES, SUGAR PUGMILLS, OIL-PRESSES, and parts thereof, when constructed so that they can be worked by manual or animal power, and pans for boiling sugar-cane juice.	...	. . .	Free	....	....
88A	234	WIRELESS RECEPTION INSTRUMENTS AND APPARATUS, and component parts thereof, including all electric valves, amplifiers and loud speakers which are not specially designed for purposes other than wireless reception or are not original parts of and imported along with instruments or apparatus so designed.*	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....
89	187	INSTRUMENTS, APPARATUS AND APPLIANCES other than electrical, all sorts not otherwise specified, including photographic, scientific, philosophical and surgical.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	...
		DYES AND COLOURS.					
90	188	CUTCH AND GAMBIER, all sorts	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff values.—					
		Gambier, block and cube	cwt.	16 0 0			
		Gambier in flakes or circular pieces ..	,,	41 0 0			
90A	58A	DYES derived from coal-tar, and coal-tar derivatives, used in any dyeing process.	....	*Ad valorem*	10 per cent. ..	....	....
		Tariff values.—					
		Alizarine, moist—					
		(*a*) not exceeding 16 per cent. ..	cwt.	65 0 0			
		(*b*) over 16 per cent. but not exceeding 20 per cent.	,,	80 0 0			
		(*c*) exceeding 20 per cent.	,,	160 0 0			
		Alizarine, dry—					
		(*a*) not exceeding 40 per cent. ..	lb.	1 10 0			
		(*b*) exceeding 40 per cent.	,,	3 4 0			
		Congo red	,,	0 14 0			
		Coupling dyes of the naphthol group—					
		(*a*) Naphthols	,,	6 0 0			
		(*b*) Rapid fast colours (rapid salts) ..	,,	9 0 0			
		(*c*) Bases	,,	4 8 0			
		(*d*) Other salts	,,	2 4 0			
		Vats—					
		(*a*) Indigo	,,	1 9 0			
		(*b*) Carbazole blue	,,	4 0 0			
		(*c*) Other sorts—					
		(*i*) Paste	,,	4 0 0			
		(*ii*) Powder	,,	15 0 0			
		Sulphur black	,,	0 9 0			
		Metanil yellow	,,	1 7 0			
		Auramine of concentration of 15 per cent. or less.	,,	0 14 0			
		Rhodamine of concentration of 15 per cent. or less (Carthamines).	,,	0 14 0			
		Aniline salts	,,	0 7 6			
		All others	,,	2 0 0			
90B	92	DYEING AND TANNING SUBSTANCES, all sorts not otherwise specified.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values.—					
		Cochineal	lb.	1 2 6			
		Gallnuts, Persian	cwt.	52 12 0			

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, the following wireless apparatus is liable to duty at 2½ per cent. *ad valorem*:—(*i*) apparatus for wireless reception [excluding apparatus specially designed for the reception of broadcast wireless and apparatus of the description specified in clause (*ii*)] and component parts of such apparatus, when imported under cover of a certificate issued by the Director-General of Posts and Telegraphs to the effect that he is satisfied that the apparatus will not be used for the reception of broadcast wireless; (*ii*) apparatus for wireless reception incorporated in a single unit with transmitting apparatus; (*iii*) wireless transmission apparatus and component parts thereof: Provided that nothing shall be deemed to be a component part of apparatus for wireless telegraphy or telephony for the purpose of this exemption unless it is essential for the working of such apparatus and has been given for that purpose some special shape or quality that would not be essential for its use for any other purpose.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		DYES AND COLOURS—*contd.*					
91	93	The following PAINTS, COLOURS AND PAINTERS' MATERIALS, namely, barytes, reduced dry red lead and white lead, moist white lead, reduced dry zinc white and moist zinc white, turpentine, turpentine substitute, and varnish not containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1899.	....	*Ad valorem*	25 per cent. ..	....	....
91A	190	PLUMBAGO AND GRAPHITE	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
91B	189	PAINTS, COLOURS AND PAINTERS' MATERIALS, all sorts not otherwise specified, including paints, solutions and compositions containing dangerous petroleum within the meaning of the Indian Petroleum Act, 1899.	.. .	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		Tariff values.—					
		Cuttle fish bone	cwt.	4 0 0			
		Gamboge	lb.	1 6 0			
		Vermilion, Canton	box of 90 bundles.	230 0 0			
		FURNITURE AND CABINETWARE.					
92	192	FURNITURE AND CABINETWARE of all materials, excluding mouldings.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		GLASSWARE, EARTHENWARE AND PORCELAIN.					
93	94A	EARTHENWARE PIPES AND SANITARYWARE	....	*Ad valorem*	25 per cent. ..	....	....
93A	191	EARTHENWARE, CHINA AND PORCELAIN, all sorts not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
94	94	GLASS AND GLASSWARE, lacquered ware, all sorts except glass bangles and beads and false pearls (*see* Serial No. 129C).	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values. —					
		Aerated water bottles, empty—					
		Codd's pattern—					
		Under 10 ozs.	gross	25 0 0			
		10 ozs.	,,	26 0 0			
		Over 10 ozs.	,,	28 0 0			
		Crown cork pattern—					
		7 ozs. and under	,,	14 8 0			
		Over 7 ozs. up to and including 10 ozs.	,,	16 4 0			
		Over 10 ozs.	,,	17 0 0			
		HIDES AND SKINS AND LEATHER.					
95	95	HIDES AND SKINS not otherwise specified, and the following leather manufactures, namely, saddlery, harness, trunks and bags.	....	*Ad valorem*	25 per cent. ..	....	....
95A	193	SKINS, tanned or dressed, unwrought leather, leather cloth including artificial leather, and other manufactures of leather not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		MACHINERY.					
96	59A	MACHINERY, namely, such of the following articles as are not otherwise specified:—	....	*Ad valorem*	10 per cent. ..	....	....
		(1) prime-movers, boilers, locomotive engines and tenders for the same, portable engines (including power-driven road rollers, fire engines and tractors), and other machines in which the prime-mover is not separable from the operative parts;					
		(2) machines and sets of machines to be worked by electric, steam, water, fire or other power, not being manual or animal labour, or which before being brought into use require to be fixed with reference to other moving parts;					
		(3) apparatus and appliances, not to be operated by manual or animal labour, which are designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose;					

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
	59A	MACHINERY—*contd.*					
		(4) control gear, self-acting or otherwise, and transmission-gear designed for use with any machinery above specified, including belting of all materials (other than cotton, hair and canvas piv) and driving chains, but excluding driving ropes not made of cotton;					
		(5) bare hard-drawn electrolytic copper wires and cables and other electrical wires and cables, insulated or not and poles, troughs, conduits and insulators designed as parts of a transmission system, and the fittings thereof.					
		Note.—The term "industrial system" used in sub-clause (3) means an installation designed to be employed directly in the performance of any process or series of processes necessary for the manufacture, production or extraction of any commodity.					
97	59B	The following TEXTILE MACHINERY AND APPARATUS by whatever power operated, namely, healds, heald cords and heald knitting needles; reeds and shuttles; warp and weft preparation machinery and looms; bobbins and pirns; dobbies; Jacquard machines; Jacquard harness linen cards; Jacquard cards; punching plates for Jacquard cards; warping mills; multiple box sleys; solid border sleys; tape slays; swivel sleys; tape looms; wool carding machines; wool spinning machines; hosiery machinery; coir mat shearing machines; coir fibre willowing machines; heald knitting machines; dobby cards; lattices and lags for dobbies; wooden winders; silk looms; silk throwing and reeling machines; cotton yarn reeling machines; sizing machines; doubling machines; silk twisting machines; cone winding machines; piano card cutting machines; harness building frames; card lacing frames; drawing and denting hooks; sewing thread balls and making machines; cumbli finishing machinery; hank boilers; cotton carding and spinning machines; mail eyes, lingoes, comber boards and comber board frames; take-up motions, temples and pickers; picking bands; picking sticks; printing machines; roller cloth; clearer cloth; sizing flannel; and roller skins.	....	*Ad valorem*	10 per cent.	....	....
98	59C	PRINTING AND LITHOGRAPHIC MATERIAL, namely, presses, lithographic plates, composing sticks, chases, imposing tables, lithographic stones, stereo-blocks, wood blocks, half-tone blocks, electrotype blocks, process blocks and highly polished copper or zinc sheets specially prepared for making process blocks, roller moulds, roller frames and stocks, roller composition, lithographic nap rollers, standing screw and hot presses, perforating machines, gold blocking presses, galley presses, proof presses, arming presses, copper plate printing presses, rolling presses, ruling machines, ruling pen-making machines, lead cutters, rule cutters, slug cutters, type casting machines, type setting and casting machines, paper in rolls with slide perforations to be used after further perforation for type-casting, rule bending machines, rule mitreing machines, bronzing machines, stereotyping apparatus, paper folding machines, paging machines and clarified liquid glue but excluding ink and paper.	....	*Ad valorem*	10 per cent.	....	....
99	59D	COMPONENT PARTS OF MACHINERY, as defined in Serial Nos. 96, 97 and 98, namely, such parts only as are essential for the working of the machine or apparatus and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose:	....	*Ad valorem*	10 per cent.	....	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III—Articles Wholly or Mainly Manufactured—*contd.*					
		MACHINERY—*concld.*					
		Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the machine to which they belong if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.					
99A	43A	COTTON, HAIR AND CANVAS PLY BELTING for machinery.	....	*Ad valorem*	6½ per cent. ..	....	....
99B	43B	RUBBER-INSULATED COPPER WIRES AND CABLES, no core of which, other than one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch, whether made with any additional insulating or covering material or not.	....	*Ad valorem*	6½ per cent. ..	....	..
100	194	MACHINERY AND COMPONENT PARTS THEREOF, meaning machines or parts of machines to be worked by manual or animal labour, not otherwise specified, and any machines (except such as are designed to be used exclusively in industrial processes) which require for their operation less than one-quarter of one brake-horse-power.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		METALS, IRON AND STEEL.					
101A	235	IRON ALLOYS	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
101B	143	IRON ANGLE, CHANNEL AND TEE—					
		(*a*) fabricated, all qualities—					
		(*i*) of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 18-12 per ton.	....	....
		(*b*) not fabricated, kinds other than galvanised, tinned or lead-coated and other than Crown or superior qualities—					
		(*i*) of British manufacture ..	ton	....	Rs. 23-12	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 37-8	....	....
101C	235	IRON ANGLE, CHANNEL AND TEE not otherwise specified.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		Tariff values—					
		Angle, channel and tee—					
		Crown and superior qualities, not fabricated.	ton	210 0 0			
		Other kinds, not fabricated, if galvanized, tinned, or lead-coated.	„	210 0 0			
101D	144	IRON, common bar not galvanized, tinned or lead-coated if not of any shape and dimension specified in clause (*a*) or clause (*c*) of Serial No. 102C—					
		(*i*) of British manufacture	ton	....	Rs. 32-8	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 46-4	....	....
101E	235	IRON BAR AND ROD not otherwise specified	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		Tariff values.—					
		Bar and rod—					
		Qualities superior to Grade A of the British Engineering Standard Association.	ton	385 0 0			
		Grade A of the British Engineering Standard Association and Crown quality and intermediate qualities—					
		Over ½ inch in diameter or thickness.	„	225 0 0			
		½ inch and under in diameter or thickness.	„	240 0 0			
		Common, if galvanized, tinned, or lead-coated.	„	220 0 0			
101F	235	IRON, pig	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		Tariff value.—					
		Iron, pig	ton	75 0			

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		METALS, IRON AND STEEL—*contd.*					
101G	235	IRON RICE BOWLS	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		Tariff value.— Iron rice bowls	cwt.	18 0 0			
102A	237	STEEL, ANGLE AND TEE, if galvanized, tinned or lead-coated.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		Tariff value.—					
		Angle and tee, if galvanized, tinned or lead-coated, not fabricated.	ton	210 0 0			
102B	151	STEEL, ANGLE AND TEE, not otherwise specified (*see* Serial No. 102A) and beam, channel, zed, trough and piling—					
		(*a*) fabricated—					
		(*i*) of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 18-12 per ton.	....	....
		(*b*) not fabricated—					
		(*i*) of British manufacture ..	ton	....	Rs. 23-12	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 37-8	....	....
102C	237	STEEL, BAR AND ROD, the following kinds—	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		(*a*) shapes specially designed for the reinforcement of concrete, if the smallest dimension is under ¼ inch;					
		(*b*) all shapes and sizes, if—					
		(*i*) of alloy, crucible, shear, blister or tub steel, or (*ii*) galvanized or coated with other metals, or (*iii*) planished or polished, including bright steel shafting;					
		(*c*) other qualities, if of any of the following shapes and sizes—					
		(*i*) rounds not over 7/16 inch diameter, (*ii*) squares not over 7/16 inch side, (*iii*) flats, if under 1 inch wide and not over ¼ inch thick, (*iv*) flats not under 8 inches wide and not over ¼ inch thick, (*v*) ovals, if the dimension of the major axis is not less than twice that of the minor axis, (*vi*) all other shapes, any size.					
		Tariff values.—					
		Bar and rod— Galvanized or coated with other metals, all shapes and sizes.	ton	210 0 0			
		Planished or polished, including bright steel shafting, all shapes and sizes.	,,	200 0 0			
102D	152	STEEL, BAR AND ROD, not otherwise specified (*see* Serial No. 102C)—					
		(*i*) of British manufacture	ton	....	Rs. 32-8	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 46-4	....	....
102E	237	STEEL (other than bars), alloys, crucibles, shear, blister and tub.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
102F	237	STEEL (other than bars) made for springs and cutting tools by any process.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
102G	237	STEEL, INGOTS, BLOOMS AND BILLETS, and slabs of a thickness of 1¼ inches or more.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		METALS, IRON AND STEEL—*contd.*					
102H	153	STEEL STRUCTURES, fabricated partially or wholly, not otherwise specified, if made mainly or wholly of steel bars, sections, plates or sheets, for the construction of buildings, bridges, tanks, well cubs, trestles, towers and similar structures or for parts thereof, but not including builders' hardware (*see* Serial No. 84A) or any of the articles specified in Serial Nos. 75A, 76B, 77, 96, 99 or 159—					
		(*i*) of British manufacture	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 18-12 per ton.	....	....
102I	154	STEEL, TINPLATES AND TINNED SHEETS, including tin taggers and cuttings of such plates, sheets or taggers.	ton	....	Rs. 60	....	....
103A	236	IRON OR STEEL ANCHORS AND CABLES ..	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103B	145	IRON OR STEEL BOLTS AND NUTS, including hook-bolts and nuts for roofing and fish bolts and nuts.	cwt.	....	Rs. 2-13	....	....
103C	236	IRON OR STEEL EXPANDED METAL ..	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103D	236	IRON OR STEEL HOOPS AND STRIPS ..	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103E	145A	IRON OR STEEL RIVETS	cwt.	....	Rs. 2-8	....	....
103F	236	IRON OR STEEL NAILS AND WASHERS, all sorts not otherwise specified.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
		Tariff values.—					
		Nails, and washers—					
		Nails, rose, deck, and flat-headed..	cwt.	14 0 0			
		Nails, bullock and horse-shoe ..	,,	38 0 0			
		Washers, black, structural.. ..	,,	9 0 0			
103G	146	IRON OR STEEL PIPES AND TUBES AND FITTINGS THEREFOR, if riveted or otherwise built up of plates or sheets—					
		(*a*) galvanized*	ton	....	Rs. 41-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*b*) not galvanized—					
		(*i*) not under ⅛ inch thick—					
		of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		not of British manufacture.	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 18-12 per ton.	....	....
		(*ii*) under ⅛ inch thick—					
		of British manufacture ..	ton	....	Rs. 48-12 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		not of British manufacture.	ton	....	Rs. 48-12 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 32-8 per ton.	....	....
103H	236	IRON OR STEEL PIPES AND TUBES; also fittings therefor, that is to say, bends, boots, elbows, tees, sockets, flanges, plugs, valves, cocks and the like, excluding pipes, tubes and fittings therefor otherwise specified.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103I	147	IRON OR STEEL PLATES OR SHEETS (including cuttings, discs and circles) not under ¼ inch thick and not of cast iron—					
		(*a*) fabricated, all qualities—					
		(*i*) of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....

* Under Government of India, Commerce Department Notification No. 260-T. (127), dated the 30th December 1930, as amended subsequently and read with section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, galvanized iron or steel pipes and tubes and fittings therefor, if riveted or otherwise built up of plates or sheets, are liable to duty at Rs. 91-4 per ton or 21½ per cent. *ad valorem*, whichever is higher, till the 31st March 1934.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		METALS, IRON AND STEEL—*contd.*					
		(*ii*) not of British manufacture ..	ton	....	Rs. 26-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 18-12 per ton.	....	....
		(*b*) not fabricated, chequered and ship, tank, bridge and common qualities—					
		(*i*) of British manufacture ..	ton	....	Rs. 25	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 45	....	....
103J	236	IRON OR STEEL PLATES AND SHEETS (including cuttings, discs and circles) not under ⅛ inch thick not otherwise specified, whether fabricated or not.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	..
		Tariff values.—					
		Plates and sheets (including cuttings, discs and circles) not under ⅛ inch thick—					
		Boiler fire-box and special qualities, not fabricated.	ton	240 0 0			
		Galvanized, plain, not fabricated.	„	205 0 0			
103K	236	IRON OR STEEL SHEETS (including cuttings, discs and circles) under ⅛ inch thick, whether fabricated or not, if coated with metals other than tin or zinc.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103L	148	IRON OR STEEL SHEETS (including cuttings, discs and circles) under ⅛ inch thick—					
		(*a*) fabricated—					
		(*i*) galvanized*	ton	....	Rs. 41-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*ii*) all other sorts not otherwise specified (*see* Serial No. 103K)—					
		of British manufacture ..	ton	....	Rs. 48-12 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		not of British manufacture.	ton	....	Rs. 48-12 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 32-8 per ton.	....	....
		(*b*) not fabricated, all sorts not otherwise specified—					
		of British manufacture ..	ton	....	Rs. 43-12	....	....
		not of British manufacture ..	ton	....	Rs. 73-12	....	....
103M	148A	IRON OR STEEL SHEETS (including cuttings, discs and circles) under ⅛ inch thick, galvanized, not fabricated— of British manufacture—					
		(*i*) if made from Indian sheet bar imported into the United Kingdom after the 23rd day of December 1932.	ton	....	Rs. 30	....	....
		(*ii*) if made from sheet bar other than Indian sheet bar imported into the United Kingdom after the 23rd day of December 1932.	ton	....	Rs. 53	....	....
		not of British manufacture ..	ton	....	Rs. 83	....	....
103N	150	IRON OR STEEL RAILWAY TRACK MATERIAL—					
		(*a*) Rails (including tramway rails the heads of which are not grooved)—					
		(*i*) 30 lbs. per yard and over ..	ton	....	Rs. 16-4	....	....
		(*ii*) fish-plates therefor	ton	....	Rs. 7-8 or 12½ per cent. *ad valorem*, whichever is higher.	....	....
		(*b*) under 30 lbs. per yard, and fish-plates therefor—					
		if of British manufacture ..	ton	....	Rs. 32-8	....	....
		if not of British manufacture.	ton	....	Rs. 46-4	....	....

* Under Government of India, Commerce Department Notification No. 260-T. (127), dated the 30th December 1930, as amended subsequently and read with section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, fabricated galvanized iron or steel sheets (including cuttings, discs and circles) under ⅛ inch thick are liable to duty at Rs. 91-4 per ton or 21½ per cent. *ad valorem*, whichever is higher, till the 31st March 1934.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		METALS, IRON AND STEEL—*concld.*					
		(*b*) Switches and crossing including stretcher bars and other component parts, and switches and crossings including stretcher bars and other component parts for tramway rails the heads of which are not grooved—					
		(*i*) for rails 30 lbs. per yard and over.	ton	....	Rs. 17-8 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		(*ii*) for rails under 30 lbs. per yard— of British manufacture ..	ton	....	Rs. 36-4 or 21½ per cent. *ad valorem*, whichever is higher.	....	....
		not of British manufacture.	ton	....	Rs. 36-4 or 21½ per cent. *ad valorem*, whichever is higher, *plus* Rs. 15 per ton.	....	....
		(*c*) Sleepers, other than cast iron ..	ton	....	Rs. 12-8 or 12½ per cent. *ad valorem*, whichever is higher.	....	....
		(*d*) Spikes (other than dogspikes) and tie-bars—					
		(*i*) of British manufacture ..	ton	....	Rs. 32-8	....	....
		(*ii*) not of British manufacture ..	ton	....	Rs. 46-4	....	....
		(*e*) Dogspikes	cwt.	....	Rs. 2-13	....	....
		(*f*) Gibs, cotters, keys, distance pieces and other fastenings for use with iron or steel sleepers.	cwt.	....	Rs. 2-8	....	....
103O	236	IRON OR STEEL RAILWAY TRACK MATERIALS, not otherwise specified, including bearing plates, cast iron sleepers and lever boxes.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103P	236	IRON OR STEEL TRAMWAY TRACK MATERIALS, not otherwise specified, including rails, fish-plates, tie-bars, switches, crossings and the like materials of shapes and sizes specially adapted for tramway tracks.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103Q	236	IRON OR STEEL BARBED OR STRANDED FENCING-WIRE AND WIRE-ROPE.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103R	149	IRON OR STEEL—	ton	....	Rs. 45	....	....
		(*a*) wire, other than barbed or stranded fencing-wire, wire-rope or wire-netting; and					
		(*b*) wire nails.					
103S	236	IRON OR STEEL (other than bar or rod) specially designed for the reinforcement of concrete.	....	*Ad valorem*	20 per cent. ..	10 per cent. ..	....
103T	149A	IRON OR STEEL, the original material (but not including machinery) of any ship or other vessel intended for inland or harbour navigation which has been assembled abroad, taken to pieces and shipped for reassembly in India:	ton	....	Rs. 28-12or 12½ per cent. *ad valorem*, whichever is higher.	....	....
		Provided that articles dutiable under this item shall not be deemed to be dutiable under any other item.					
104	195	ALL SORTS OF IRON AND STEEL AND MANUFACTURES THEREOF, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		Tariff values.— Iron and Steel cans or drums— When imported containing kerosene and motor spirit, namely :—					
		Cans, tinned, of four gallons capacity.	can	0 6 0			
		Cans or drums, not tinned, of two gallons capacity—					
		(*a*) with faucet caps ..	can or drum	1 8 0			
		(*b*) ordinary	„	0 6 0			
		Drums of four gallons capacity—					
		(*a*) with faucet caps ..	drum	2 3 0			
		(*b*) ordinary	„	1 8 0			

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		METALS, OTHER THAN IRON AND STEEL.					
105	19	CURRENT COIN OF THE GOVERNMENT OF INDIA.	....	....	Free	....	....
106	20	GOLD BULLION AND COIN AND GOLD SHEETS AND PLATES which have undergone no process of manufacture subsequent to rolling.	....	....	Free	....	..
107	131	GOLD PLATE, GOLD LEAF, AND GOLD MANUFACTURES, all sorts not otherwise specified.	....	*Ad valorem*	50 per cent. ..	....	....
107A	43BB	SILVER BULLION AND COIN, not otherwise specified, and silver sheets and plates which have undergone no process of manufacture subsequent to rolling.	ounce	....	Seven annas and six pies.	....	....
108	132	SILVER PLATE, AND SILVER MANUFACTURES, all sorts not otherwise specified.	....	*Ad valorem*	50 per cent. ..	....	....
108A	154A	SILVER THREAD AND WIRE (including so-called gold thread and wire mainly made of silver) and silver leaf; including also imitation gold and silver thread and wire, lametta and metallic spangles and articles of a like nature, of whatever metal made.*	....	*Ad valorem*	62½ per cent. ..	....	....
109	39A	TIN, block	ton	....	Rs. 312-8	....	....
110	20A	ZINC, unwrought, including cakes, ingots, tiles (other than boiler tiles), hard or soft slabs and plates, dust, dross and ashes; and broken zinc.	....	....	Free	....	....
111	196	METALS AND MANUFACTURES THEREOF, namely:—	....	*Ad valorem*	30 per cent ..	20 per cent. ..	....
		(*a*) Aluminium—circles, sheets and other manufactures not otherwise specified.					
		(*b*) Brass, bronze and similar alloys wrought, and manufactures thereof not otherwise specified.					
		(*c*) Copper wrought, and manufactures of copper, all sorts not otherwise specified.					
		(*d*) German silver including nickel silver.					
		(*e*) Lead wrought—the following articles, namely, pipes and tubes and sheets other than sheets for tea chests.					
		(*f*) Zinc or spelter wrought or manufactured not otherwise specified.					
		Tariff values.—					
		Aluminium circles	lb.	0 10 0			
		Aluminium sheets, plain	,,	0 9 0			
		Brass, patent or yellow metal, sheets and sheathing, weighing 1 lb. or above per square foot, and braziers, and plates.	cwt.	29 0 0			
		Brass, patent or yellow metal, circles weighing 1 lb. or above per square foot.	,,	33 0 0			
		Copper, braziers, sheets, plates and sheathing.	,,	34 0 0			
		Copper, circles	,,	39 0 0			
		Copper, foil or dankpana, plain, white, 10 to 11 in. × 4 to 5 in.	hundred leaves.	1 4 0			
		Copper, foil or dankpana, plain, coloured, 10 to 11 in. × 4 to 5 in.	,,	1 4 0			
111A	98	ALL SORTS OF METALS OTHER THAN IRON AND STEEL, AND MANUFACTURES THEREOF, not otherwise specified including unwrought ingots, blocks and bars of aluminium, scrap copper, copper braziers and lead sheets for tea chests.†	....	*Ad valorem*	25 per cent. ..	....	....

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, all the articles included in this item are liable to duty at 50 per cent. *ad valorem*.

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, radium is exempt from payment of import duty.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		METALS, OTHER THAN IRON AND STEEL—*contd.*					
		Tariff values.—					
		Brass, patent or yellow metal (including gun metal) ingots.	cwt.	20 0 0			
		Brass, patent or yellow metal (including gun metal), old.	,,	18 0 0			
		Copper, old	,,	24 0 0			
		Copper, pigs, tiles, ingots, cakes, bricks, and slabs.	,,	27 8 0			
		Lead, pig	,,	11 0 0			
		Quicksilver	lb.	3 8 0			
		PAPER, PASTEBOARD AND STATIONERY.					
112	197	PAPER, including chrome, marble, flint, poster and stereo printing paper, articles made of paper and papier maché; pasteboard, mill-board and cardboard, all sorts other than strawboard; and stationery including drawing and copy books, labels, advertising circulars, sheet or card almanacs and calendars, Christmas, Easter, and other cards, including cards in booklet form; including also waste paper but excluding paper and stationery otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		Tariff values.—					
		Packing and wrapping paper—					
		Machine-glazed pressings	lb.	0 1 6			
		Manilla, machine-glazed or unglazed, and sulphite envelope.	,,	0 1 9			
		Kraft and imitation kraft	,,	0 1 9			
113	155	PRINTING PAPER (excluding chrome, marble, flint, poster and stereo), all sorts which contain no mechanical wood pulp or in which the mechanical wood pulp amounts to less than 70 per cent. of the fibre content.	lb.	....	One anna and three pies.	....	....
113A	99	PRINTING PAPER, all sorts not otherwise specified which contain mechanical wood pulp amounting to not less than 70 per cent. of the fibre content; and strawboard, all sorts.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values.—					
		Printing paper (excluding chrome, marble, flint, poster and stereo) in which the mechanical wood pulp amounts to not less than 70 per cent. of the fibre content, glazed or unglazed, white or grey.	lb.	0 1 3			
		Strawboards (not lined)	cwt.	5 0 0			
114	156	WRITING PAPER—					
		(*a*) Ruled or printed forms (including letter paper with printed headings) and account and manuscript books and the binding thereof.	lb.	....	One anna and three pies or 18¾ per cent. *ad valorem*, whichever is higher.	....	....
		(*b*) All other sorts	lb.	....	One anna and three pies.	....	....
115	21	TRADE CATALOGUES AND ADVERTISING CIRCULARS imported by packet, book, or parcel post.	....	....	Free	....	....
116	21A	POSTAGE STAMPS, whether used or unused.	....	....	Free	....	....
116A	21B	PAPER MONEY	....	....	Free	....	....
		RAILWAY PLANT AND ROLLING-STOCK.					
117	63	RAILWAY MATERIALS FOR PERMANENT-WAY AND ROLLING-STOCK, namely, sleepers, other than iron and steel, and fastenings therefor; bearing plates, chairs, interlocking apparatus, brake-gear, shunting skids, couplings and springs, signals, turn-tables, weigh-bridges, carriages, wagons, traversers, rail removers, scooters, trollies, trucks; also cranes, water-cranes and water-tanks when imported by or under the orders of a railway administration: Provided that for the purpose of this entry "railway" means a line of railway subject to the provisions of the Indian Railways Act, 1890, and includes a railway constructed in a State in India and also such tramways as the Governor-General in Council may, by notification in the *Gazette of India*, specifically include therein: Provided also that articles of machinery as defined in Serial No. 96 or No. 99 shall not be deemed to be included hereunder.	....	*Ad valorem*	15⅝ per cent. ..	....	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		RAILWAY PLANT AND ROLLING-STOCK—*contd.*					
118	63A	COMPONENT PARTS OF RAILWAY MATERIALS, as defined in Serial No. 117, namely, such parts only as are essential for the working of railways and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose : Provided that articles which do not satisfy this condition shall also be deemed to be component parts of the railway material to which they belong, if they are essential to its operation and are imported with it in such quantities as may appear to the Collector of Customs to be reasonable.	....	*Ad valorem*	15$\frac{5}{8}$ per cent.	....	....
		YARNS AND TEXTILE FABRICS.					
119	43C	ARTIFICIAL SILK YARN AND THREAD ..	....	*Ad valorem*	18$\frac{3}{4}$ per cent. ..	....	....
119A	45	ARTIFICIAL SILK PIECEGOODS other than fents of not more than nine yards in length.	....	*Ad valorem*	50 per cent. or four annas per square yard, whichever is higher.	....	....
120	158	COTTON PIECEGOODS (other than fents of not more than nine yards in length)—					
		(*a*) plain grey, that is, not bleached or dyed in the piece, if imported in pieces which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven headings—					
		(*i*) of British manufacture ..	....	*Ad valorem*	25 per cent. or 4$\frac{3}{8}$ annas per pound, whichever is higher.	....	....
		(*ii*) not of British manufacture* §.	....	*Ad valorem*	31$\frac{1}{4}$ per cent. or 4$\frac{3}{8}$ annas per pound, whichever is higher.	....	....
		(*b*) others—					
		(*i*) of British manufacture ..	....	*Ad valorem*	25 per cent. ..	....	....
		(*ii*) not of British manufacture† .	....	*Ad valorem*	31$\frac{1}{4}$ per cent. ..	....	....
121	44	COTTON TWIST AND YARN, and cotton sewing or darning thread.	....	*Ad valorem*	6$\frac{1}{4}$ per cent. or 1$\frac{7}{8}$ annas per pound, whichever is higher.	....	....
121A	198	HABERDASHERY AND MILLINERY, all sorts, including lace and embroidery, but excluding towels not in the piece and articles made of wool or of silk or artificial silk or of silk or artificial silk mixtures.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
122	22	SECOND-HAND OR USED GUNNY BAG OR CLOTH made of jute.	....	....	Free	....	....
122A	238	WOOLLEN CARPETS, FLOOR RUGS, HOSIERY, PIECEGOODS, SHAWLS AND OTHER MANUFACTURES OF WOOL not otherwise specified, including felt‡.	....	*Ad valorem*	35 per cent. ..	25 per cent. ..	....
122B	199	WOOLLEN YARN FOR WEAVING AND KNITTING WOOL.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
122C	45B	YARN (excluding cotton yarn) such as is ordinarily used for the manufacture of belting for machinery.	....	*Ad valorem*	6$\frac{1}{4}$ per cent. ..	....	....

* Under Government of India, Commerce Department Notification No. 341-T. (164), dated the 30th August 1932, as amended subsequently, cotton piecegoods assessable under this sub-head are liable to duty at 50 per cent. *ad valorem* or 5$\frac{1}{4}$ annas per pound, whichever is higher.

† Under Government of India, Commerce Department Notification No. 341-T. (164), dated the 30th August 1932, as amended subsequently, cotton piecegoods assessable under this sub-head are liable to duty at 50 per cent. *ad valorem*.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, woollen waste and rags are exempt from payment of import duty.

§ By Notification No. 341-T (8) 33, dated 7th June 1933, the duty on cotton piecegoods was raised as below :—

Non-British goods.

Plain Grey.—6$\frac{3}{4}$ annas per lb. or 75 per cent. *ad valorem*, whichever is higher.

Others.—75 per cent. *ad valorem*.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured.—*contd.*					
		YARNS AND TEXTILE FABRICS—*contd.*					
123	100	YARNS AND TEXTILE FABRICS, that is to say :—	....	*Ad valorem*	25 per cent. ..	....	..
		Cotton thread other than sewing or darning thread, and all other manufactured cotton goods not otherwise specified.					
		Flax, twist and yarn, and manufactures of flax.					
		Towels not in the piece.					
		Hemp manufactures.					
		Hosiery, excluding articles made of silk or artificial silk.					
		Jute, twist and yarn, and jute manufactures, excluding second-hand or used gunny bags or cloth.					
		Silk yarn, noils and warps and silk thread.					
		Woollen blankets and rugs other than floor rugs.					
		All other sorts of yarns and textile fabrics, not otherwise specified.					
124	100A	SILK OR ARTIFICIAL SILK GOODS USED OR REQUIRED FOR MEDICAL PURPOSES, namely :—silk or artificial silk ligatures ; elastic silk or artificial silk hosiery, elbow pieces, thigh pieces, knee caps, leggings, socks, anklets, stockings, suspensory bandages, silk or artificial silk abdominal belts, silk or artificial silk web catheter tubes, and oiled silk or artificial silk.	....	*Ad valorem*	25 per cent. ..	....	..
125	45A	SILK OR ARTIFICIAL SILK MIXTURES, that is to say :—					
		(*a*) fabrics composed in part of some other textile than silk or artificial silk and in which any portion either of the warp or of the weft but not of both is silk or artificial silk ;	....	*Ad valorem*	35 per cent. or two annas and three pies per square yard whichever is higher.	....	..
		(*b*) fabrics not being silk or artificial silk on which silk or artificial silk is superimposed such as embroidered fabrics ;	....	*Ad valorem*	35 per cent. or two annas and three pies per square yard whichever is higher.	....	....
		(*c*) articles made from such fabrics and not otherwise specified (*see* Serial No. 124).	....	*Ad valorem*	35 per cent. ..	....	....
		Provided that the duty on fents of not more than nine yards in length in fabrics specified in sub-items (*a*) and (*b*), shall be 35 per cent. *ad valorem*.					
		N.B.—For tariff values under this item *see* those marked with an asterisk (*) under Serial No. 126 below.					
126	133	MANUFACTURES OF SILK OR ARTIFICIAL SILK PIECEGOODS, not otherwise specified.	....	*Ad valorem*	50 per cent. ..	....	....
		Tariff values.— Silk piecegoods (white or coloured, plain or figured, all lengths and all widths) and other manufactures of silk from Japan and China (including Hongkong)—					
		Japan— Paj, all kinds, including Habutai, Thama, Junken and Nankin, and including striped printed woven so-called (i.e., swivel weave-work or Khakho embroidered), embossed and pineapples but excluding all kinds of Shioji or Shin Paj.	lb.	10 12 0			
		Satins, Taffetas, and Kohakus, all kinds, including striped, printed, woven so-called (i.e., swivel weave-work or Khakho embroidered), and embossed.	„	10 12 0			
		Twill, all kinds	„	15 0 0			
		Jarina (gold embroidered)	„	16 0 0			
		Fugi and Boseki, all kinds	„	5 8 0			

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		YARNS AND TEXTILE FABRICS—*concld.*					
		Fancies, printed and woven so-called (i.e., swivel weave-work or Khakho embroidered), including georgettes, crepes, ninons, gauzes, and all kinds of Shioji or Shin Paj.	lb.	15 4 0			
		Spun crepe, all kinds	,,	9 8 0			
		Dupettas and China Silk patkas ..	,,	14 8 0			
		Burmese scarves—					
		(*a*) Paj or Habutai	,,	31 0 0			
		(*b*) Other kinds	,,	38 0 0			
		* Cotton and silk mixed satins, embroidered.	,,	14 0 0			
		* Cotton and silk mixed satins, other kinds.	,,	4 8 0			
		Cotton and silk mixed hosiery ..	,,	25 0 0			
		* Cotton and silk mixed Fugi and Boseki, all kinds.	,,	4 0 0			
		Silk Fents	,,	4 0 0			
		China (including Hongkong but excluding Cotton)—					
		Corded, all kinds, excepting white cords.	,,	3 0 0			
		Crepe, gauge, and paj, all kinds ..	,,	13 0 0			
		Fugi and Boseki, all kinds	,,	5 8 0			
		N.B.—The tariff values marked with an asterisk (*) are also applicable to silk mixtures under Serial No. 125 above.					
		MISCELLANEOUS.					
127	53	AEROPLANES, aeroplane parts, aeroplane engines, aeroplane engine parts and rubber tyres and tubes used exclusively for aeroplanes.	....	*Ad valorem*	2½ per cent. ..	....	....
128	23	ART, the following works of :—	....	....	Free	....	....
		(*a*) statuary and pictures intended to be put up for the public benefit in a public place, and					
		(*b*) memorials of a public character intended to be put up in a public place, including the materials used, or to be used in their construction, whether worked or not.					
129	101	ART, works of, excluding those specified in Serial No. 128 and Serial No. 155.	....	*Ad valorem*	25 per cent. ..	....	....
129A	200	ASBESTOS MANUFACTURES, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent ..	....
129B	239	ASPHALT	....	*Ad valorem*	25 per cent. ..	....	15 per cent.
129C	134	BANGLES, beads and false pearls	....	*Ad valorem*	50 per cent. ..	....	....
		Tariff values—					
		Celluloid bangles—					
		Celluloid, plain, flat, with border and without border and grooved but excluding double border and double grooved and those under ¼ inch (i.e., 2 lines) width.	doz. pairs	0 12 0			
		Celluloid (rubber) rings excluding coils.	,,	0 3 3			
		Celluloid, zigzag, all colours ..	,,	0 3 0			
		Glass bangles—					
		China—					
		Nimuchi and pasalal	100 pairs	2 0 0			
		Bracelet, Jadi and fancy, all kinds.	,,	4 0 0			
		Rajawarakh, all kinds	,,	6 0 0			
		Japan—					
		Reshmi or lustre, all colours—					
		Fancy (including all kinds of Vakmel or zigzag but excluding hexagonal bangles).	doz. pairs	0 1 9			
		Fancy hexagonal	,,	0 1 0			
		All others	,,	0 0 9			
		Hollow or tube, all colours ..	,,	0 2 3			
		Sonerikada (golbala)—					
		Containing gold in their composition.	,,	1 0 0			
		All others	,,	0 2 3			
130	24	BOOKS, PRINTED, including covers for printed books, maps, charts, and plans, proofs, music manuscripts, and illustrations specially made for binding in books.	....	....	Free	....	....
131	201	BRUSHES, all sorts	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of— The United Kingdom.	Preferential rate of duty if the article is the produce or manufacture of— A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		MISCELLANEOUS—*contd.*					
132	103	The following BUILDING AND ENGINEERING MATERIALS, namely, bricks, chalk, lime and clay.	....	*Ad valorem*	25 per cent. ..	....	....
132A	202	BUILDING AND ENGINEERING MATERIALS, all sorts not of iron, steel or wood not otherwise specified, including cement (excluding Portland cement other than white Portland cement), tiles other than glass tiles, and firebricks not being component parts of any article included in Serial No. 96 or No. 117.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
132B	203	BUTTONS, metal	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
133	104	CANDLES	....	*Ad valorem*	25 per cent. ..	....	....
134	240	CINEMATOGRAPH FILMS, not exposed ..	....	*Ad valorem*	25 per cent. ..	15 per cent. ..	....
135	134A	CINEMATOGRAPH FILMS, exposed	....	*Ad valorem*	37½ per cent. ..	....	....
		Tariff value— Exposed standard positive films, new or used.	foot	0 4 6			
136	204	COIR FIBRE, COIR YARN AND COIR MATS AND MATTING.	....	*Ad valorem*	30 per cent. ..	....	20 per cent.
		Tariff values— Coir fibre	cwt.	4 4 0			
		Coir yarn	"	13 0 0			
136A	205	CORDAGE, ROPE AND TWINE OF VEGETABLE FIBRE other than jute and cotton, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
137	206	CORK MANUFACTURES, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
138	106A	FIREWORKS specially prepared as danger or distress lights for the use of ships.	....	*Ad valorem*	25 per cent. ..	....	....
138A	135	FIREWORKS not otherwise specified (*see* Serial No. 138).	....	*Ad valorem*	50 per cent. ..	....	....
139	107	FURNITURE TACKLE AND APPAREL, not otherwise described, for steam-sailing, rowing and other vessels.	....	*Ad valorem*	25 per cent. ..	....	....
139A	240A	The following GLASS-MAKING MATERIALS, namely, liquid gold, and covered crucibles for glass-making.	....	*Ad valorem*	25 per cent. ..	15 per cent. ..	....
139B	207	GLUE, all sorts other than clarified liquid glue.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
140	136	IVORY, manufactured, not otherwise specified.	....	*Ad valorem*	50 per cent. ..	....	....
141	137	JEWELLERY AND JEWELS*	....	*Ad valorem*	50 per cent. ..	....	....
142	24A	LIGHT SHIPS	....	....	Free	....	....
143	159	MATCHES, UNDIPPED SPLINTS AND VENEERS—					
		(*a*) Matches—					
		(*i*) In boxes containing on the average not more than 100 matches.	gross of boxes.	....	Re. 1-14	....	....
		(*ii*) In boxes containing on the average more than 100 matches.	for every 25 matches or fraction thereof in each box, per gross of boxes.	....	Seven annas and six pies.	....	....
		(*b*) Undipped Splints such as are ordinarily used for match making.	lb.	....	Five annas and seven and half pies.	....	....
		(*c*) Veneers such as are ordinarily used for making boxes, including boxes and parts of boxes made of such veneers.	lb.	....	Seven annas and six pies.	....	....
144	108	MATS AND MATTINGS, not otherwise specified.	....	*Ad valorem*	25 per cent. ..	....	....
145	108A	NEWSPAPERS, old, in bales and bags ..	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff value— Old newspapers in bales and bags ..	cwt.	3 14 0			

* See footnote to Serial No. 79.

SCHEDULE II—IMPORT TARIFF—*contd.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured—*contd.*					
		MISCELLANEOUS—*contd.*					
146	109	OILCAKES	....	*Ad valorem*	25 per cent. ..	....	....
147	208	OIL CLOTH AND FLOOR CLOTH	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
148	209	PACKING — ENGINE AND BOILER — ALL SORTS, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
149	112	PERFUMERY, not otherwise specified ..	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values—					
		Gowla, husked and unhusked ..	cwt.	58 0 0			
		Kapurkachri (zedoary)	,,	21 0 0			
		Patch leaves (patchouli)	,,	18 0 0			
		Rose-flowers, dried	,,	18 0 0			
150	113	PITCH AND TAR	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff values—					
		Coal pitch	cwt.	2 12 0			
		Stockholm pitch	,,	14 0 0			
		Stockholm tar	,,	13 0 0			
151	114	POLISHES AND COMPOSITIONS	....	*Ad valorem*	25 per cent. ..	....	....
152	241	PORTLAND CEMENT excluding white Portland cement.	ton	....	Rs. 18-4	Rs. 13-12 ..	....
153	46D	PRINTERS' INK	....	*Ad valorem*	10 per cent. ..	....	....
153A	46	PRINTING TYPE	lb.	....	One anna and three pies.	....	....
154	54	The following PRINTING MATERIAL, namely, leads, brass rules, wooden and metal quoins, shooting sticks and galleys and metal furniture.	....	*Ad valorem*	2½ per cent. ..	....	....
155	138	PRINTS, ENGRAVINGS AND PICTURES (including photographs and picture post cards), not otherwise specified.	....	*Ad valorem*	50 per cent. ..	....	....
156	55	RACKS for the withering of tea leaf ..	....	*Ad valorem*	2½ per cent. ..	....	....
157	24B	ROPES, cotton	....	....	Free	....	....
158	210	RUBBER TYRES AND TUBES AND OTHER MANUFACTURES OF RUBBER, not otherwise specified, excluding apparel and boots and shoes.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
159	64	SHIPS AND OTHER VESSELS FOR INLAND AND HARBOUR NAVIGATION, including steamers, launches, boats and barges, imported entire or in sections: Provided that articles of machinery as defined in Serial No. 96 or No. 99 shall, when separately imported, not be deemed to be included hereunder.	....	*Ad valorem*	15⅝ per cent. ..	....	....
159A	115	SLATE PENCILS	....	*Ad valorem*	25 per cent. ..	....	....
160	243	SMOKERS' REQUISITES, excluding tobacco and matches.	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....
161	161	SOAP	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff value—					
		Soft soap	cwt.	13 0 0			
161A	242	SOAP, toilet	....	*Ad valorem*	35 per cent. ..	25 per cent. ..	....
162	24C	STARCH AND FARINA	....	....	Free	....	....
162A	24D	STONE, prepared as for road metalling ..	....	....	Free	....	....
163	118	STONE AND MARBLE, and articles made of stone and marble but excluding stone prepared as for road metalling.	....	*Ad valorem*	25 per cent. ..	....	....
163A	119	TEA CHESTS AND PARTS, and fittings thereof.	....	*Ad valorem*	25 per cent. ..	....	....
		Tariff value—					
		Strawboards (not lined)	cwt.	5 0 0			
164	211	TOILET REQUISITES, not otherwise specified.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
165	244	TOYS, GAMES, PLAYING CARDS AND REQUISITES, for games and sports, birdshot, toy cannons, air guns and air pistols for the time being excluded in any part of British India from the operation of all the prohibitions and directions contained in the Indian Arms Act, 1878, and bows and arrows.	....	*Ad valorem*	50 per cent. ..	40 per cent. ..	....

SCHEDULE II—IMPORT TARIFF—*concld.*

Serial No.	No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of—	
						The United Kingdom.	A British Colony.
				Rs. a. p.			
		III.—Articles Wholly or Mainly Manufactured.—*concld.*					
		MISCELLANEOUS—*concld.*					
		Tariff value—					
		Birdshot	cwt.	25 0 0			
165A	160	WOOD PULP	ton	....	Rs. 56-4	....	....
166	120	ALL OTHER ARTICLES WHOLLY OR MAINLY MANUFACTURED, not otherwise specified.	....	*Ad valorem*	25 per cent. ..	....	....
		IV.—Miscellaneous and Unclassified.					
167	25	ANIMALS, living, all sorts	....	....	Free	....	....
167A	245	BETELNUTS	....	*Ad valorem*	45 per cent. ..	....	37½ per cent
		Tariff values.—					
		Betelnuts (husked)—					
		Raw, or boiled whole, from Goa ..	cwt.	12 12 0			
		Raw, or boiled whole, from Straits, Dutch East Indies and Siam.	,,	10 0 0			
		Raw, whole, from Ceylon	,,	13 0 0			
		Raw, split (sun-dried), from Ceylon.	,,	27 0 0			
		Boiled, split or sliced	,,	16 0 0			
168	121	CORAL	....	*Ad valorem*	25 per cent. ..	....	....
169	57	FODDER, bran and pollards	....	*Ad valorem*	2½ per cent. ..	....	....
169A	25A	INSIGNIA AND BADGES of official British and Foreign Orders.	....	....	Free	....	....
169B	25B	PLANTS, living, all sorts	....	....	Free	....	....
170	26	SPECIMENS, MODELS AND WALL DIAGRAMS illustrative of natural science, and medals and antique coins.	....	....	Free	....	....
171	212	UMBRELLAS, including parasols and sun-shades, and fittings therefor.	....	*Ad valorem*	30 per cent. ..	20 per cent. ..	....
		Tariff values.—					
		Umbrella ribs other than nickelled, brassed, fluted or metal tipped—					
		Solid Flexus, all sizes—					
		From Japan	dozen sets of:	1 4 0			
		From other countries	,,	2 4 0			
		Solids, 23, 25 and 27 inches ..	dozen sets of 12.	2 3 0			
		Solids, 16, 19 and 21 inches ..	dozen sets of 8.	1 2 0			
72	123	ALL OTHER ARTICLES NOT OTHERWISE SPECIFIED, including articles imported by post.	....	*Ad valorem*	25 per cent. ..	....	....

SCHEDULE III—EXPORT TARIFF.

No. in the Statutory Schedule.	Names of Articles.	Per	Tariff values.	Duty.
			Rs. a. p.	
	JUTE, OTHER THAN BIMLIPATAM JUTE.			
1	RAW JUTE—			
	(1) Cuttings	Bale of 400 lbs.	....	Re. 1-4
	(2) All other descriptions	,,	....	Rs. 4-8
2	JUTE MANUFACTURES, when not in actual use as coverings, receptacles or bindings, for other goods—			
	(1) Sacking (cloth bags, twist, yarn, rope and twine)*.	Ton of 2,240 lbs.	....	Rs. 20
	(2) Hessians and all other descriptions of jute manufactures not otherwise specified.†	,,	....	Rs. 32
	HIDES AND SKINS.			
3	RAW HIDES AND SKINS‡	....	*Ad valorem*	5 per cent.
	Tariff values.—			
	If exported from Burma—			
	(1) Arsenicated and air-dried hides—			
	(*a*) Cows (including calf skins).	lb.	0 2 9	....
	(*b*) Buffaloes (including calf skins).	,,	0 1 9	....
	(2) Dry salted hides—			
	(*a*) Cows (including calf skins).	,,	0 2 6	....
	(*b*) Buffaloes (including calf skins).	,,	0 2 0	....
	(3) Wet salted hides—			
	(*a*) Cows (including calf skins) .	,,	0 1 6	....
	(*b*) Buffaloes (including calf skins).	,,	0 1 3	....
	(4) Goat and kid skins	piece	0 7 6	....
	(5) Sheep skins	,,	0 5 0	....
	If exported from any place in British India other than Burma—			
	(1) Arsenicated and air-dried hides—			
	(*a*) Cows (including calf skins)—			
	(*i*) Framed	lb.	0 5 6	....
	(*ii*) Unframed	,,	0 3 6	....
	(*b*) Buffaloes (including calf skins)—			
	(*i*) Framed	,,	0 4 0	....
	(*ii*) Unframed	,,	0 2 6	....
	(2) Dry salted hides—			
	(*a*) Cows (including calf skins) .	,,	0 4 0	....
	(*b*) Buffaloes (including calf skins).	,,	0 2 3	....
	(3) Wet salted hides—			
	(*a*) Cows (including calf skins) .	,,	0 2 6	....
	(*b*) Buffaloes (including calf skins)	,,	0 2 0	....
	(4) Goat and kid skins	piece	1 0 0	....
	5 Sheep skins	,,	0 8 0	....
	RICE.			
4	RICE, husked or unhusked, including rice flour but excluding rice bran and rice dust, which are free.	Indian maund of 82-2/7 lbs. avoirdupois weight.	....	Two annas and three pies.

* Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, bagging for raw cotton made from jute rove, weighing not less than 1¼ lbs. per square yard and having a total of not more than 250 warp and weft threads per square yard, is liable to duty at Rs. 5-8 per ton

† Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, Jute Rags such as are used for paper making, are exempt from payment of export duty provided that the Customs Collector is satisfied that they are useless for any purpose to which cloth or rope is ordinarily put.

‡ Under Government of India, Finance Department (Central Revenues) Notification No. 14, dated the 9th April 1932, hide and skin cuttings and fleshings such as are used for glue-making, are exempt from payment of export duty.

Report for the year 1932.

Section IV.

SPEECH OF THE FINANCE MEMBER

ON

INTRODUCTION OF BUDGET FOR 1933-34.

SPEECH BY THE HON'BLE FINANCE MEMBER ON INTRODUCING THE BUDGET PROPOSALS FOR 1933-34.

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1. The story which I have to tell this year of the public finances of India is a simple and—viewed merely as a matter of public finance—a satisfactory one. The emergency plan which we introduced in September 1931 was designed to produce budgetary equilibrium for the two years 1931-32 and 1932-33, and now as we approach the end of the second of these two years and take stock of the position we can confidently say that our plan has worked.

2. *Summary of results for* 1931-32 *and* 1932-33.—Let me briefly summarise the position. The results for the year 1931-32 turned out to be nearly two crores better than I anticipated in my Budget speech last March, and the accounts for the year showed a deficit, after providing nearly 7 crores for Reduction of Debt, of 11¾ crores.

For the current year (1932-33) our latest revised estimates indicate that our Budget forecast of a surplus of 215 lakhs will be almost exactly realised, and that the surplus—after providing again nearly 7 crores for Reduction of Debt—will be 217 lakhs.

The results for the two years combined thus show a total budgetary deficit of 9.58 crores against which may be set the total provision made for Reduction of Debt of 13.73 crores. We may therefore say that in the two years from April 1, 1931 to March 31, 1933, which I think may be fairly described as the two most difficult years for public finance that the world in times of peace has ever known, we shall not only have paid our way but have provided a net sum of 4 crores, 15 lakhs for the Reduction of Debt. I think that this result is one which is a legitimate cause for satisfaction, and which amply justifies the great improvement in the credit of the Government of India which the recent rise in our security prices has shown.

3. It is interesting to make a short comparison between these results and the forecasts which I gave when I introduced the emergency plan in September 1931. We then anticipated, after allowing for the normal provision for Reduction of Debt, a deficit of 10.17 crores for 1931-32 to be followed by a surplus of 5.23 crores for 1932-33, and that the net amount available for the Reduction of Debt in the two years, after allowing for the deficit on the combined results, would be 9.11 crores. As I have just shown, we now anticipate that the net figure available for the reduction of debt will be 4.15 crores, so that we are about 5 crores below our original estimate for the two years. As the combined amount involved in the two years is about 260 crores on each side of revenue and expenditure, I think we may claim that our forecast showing a variation of only 2 per cent. from the result was, considering the complete instability of the time, fairly near the mark.

It is also interesting to examine where the main differences from our estimates occurred. Revenue for the two years is 10.42 crores less than was forecasted, but expenditure was also less than the estimates by 5.78 crores. The reduction in expenditure is accounted for largely by savings in interest charges owing to the improvement of Government credit and the cheaper money conditions which have supervened ; but there has also been a realisation of administrative economies beyond what we felt safe in hoping for last year. I shall deal later in greater detail with the position as regards expenditure, but Honourable Members will, I feel sure, regard it as satisfactory that the figures for these two years should show such a substantial reduction as compared with our estimates.

Table summarising Budgetary forecasts and results for 1931-32 *and* 1932-33.

(In lakhs of rupees.)

	Revenue.	Expenditure (including provision for reduction or avoidance of debt.)	Surplus or Deficit.	Provision for reduction or avoidance of debt included in expenditure.	Surplus of receipts over expenditure other than Reduction of Debt.
Emergency budget—					
1931-32	1,26,13	1,36,30	—10,17	6,90	—3,27
1932-33	1,33,06	1,27,83	+5,23	7,15	+12,38
Combined result for both years ..	2,59,19	2,64,13	—4,94	14,05	+9,11
Estimate at Budget Session, March 1932—					
1931-32 (Revised)	1,20,77	1,34,43	—13,66	6,89	—6,77
1932-33 (Budget)	1,29,96	1,27,81	+2,15	6,82	+8,97
Combined result for both years ..	2,50,73	2,62,24	—11,51	13,71	+2,20
Present estimates—					
1931-32 (Actuals)	1,21,64	1,33,39	—11,75	6,89	—4,86
1932-33 (Revised)	1,27,13	1,24,96	+2,17	6,84	+9,01
Combined result for both years ..	2,48,77	2,58,35	—9,58	13,73	+4,15

4. *Expectations for next year* (1933-34).—With a surplus of 217 lakhs anticipated as the final result for the current year, the next question is whether we can expect a repetition of such a surplus next year. In order to explain the answer which I have to give to that question it is necessary to analyse the factors which have contributed to the current year's result, and to review the general economic position. In anticipation of this examination I may remind the House of one important feature in the position, namely, that our revenue during the past 18 months has been specially augmented by the process of abolishing the salt credit system, the effect of which has been to give us the equivalent of two years' duty on credit salt in the space of 18 months. As a result we have benefited during 1932-33 by a special non-recurring addition of about 150 lakhs to our revenue. That of course drops out next year.

5. *Economic position.*—The general features of the economic position are so well known, and so closely resemble those which I had to describe last year that I need not deal with them at length. Again, as last year, I can say that the monsoon was fairly normal for India as a whole, and that so far as climatic conditions are concerned India might have been enjoying a year of normal prosperity*. Again, as last year, I can say that world economic conditions have been the overriding factor, and that India's trade and purchasing power have been suffering from the terribly low levels to which prices and demand for commodities have declined. In the latter respect the current year has touched still lower depths. Last

* The monsoon was normal for India as a whole except in Bihar, the East United Provinces and North Madras coast. Otherwise though lighter than usual, it was fairly well distributed and fortunately rainfall in September was above the average. The sowing conditions for monsoon crops were only moderately favourable : sowing conditions for cold weather crops were generally favourable. The winter rains have been below the average and the yield of the crops now on the ground will depend to a greater extent than usual on the weather during the next few weeks. Slight frost damage in January has been reported from a number of places.

year it seemed reasonable to hope that a move would be made to settle the world troubles, and that with the detachment of sterling from gold we might see a substantial rise in prices for commodities at least in terms of sterling and of the currencies linked with sterling. Unfortunately neither of these hopes has been realised. A good start was made at the Lausanne Conference in June, and the provisional agreement then achieved, which would have resulted in the removal of the disturbing factor of Reparation payments, spread at the time a feeling of justifiable optimism. But unfortunately the possibility of executing this agreement depends on the balancing cancellation of war debts, and for this problem there is no solution yet in sight. Indeed, except among the nations of the British Commonwealth, for which within their own area the Ottawa Agreement holds out hopes of improvement, there has been no advance towards that international co-operation which is so badly needed ; and for the world in general it is unfortunately true to say that there has been not only no quickening up of the normal flow of trade, but on the contrary the restrictions which so many countries have been forced to impose on trade and exchange in order to maintain their balance of payments have operated still further to check the international exchange of goods. As regards prices, the anticipated rise in rupee and sterling prices has not materialised. The position, broadly speaking, is that, after an initial rise, prices towards the end of the period under review showed again a falling tendency, with the result that although the average level of prices on the basis of which India's exports during 1932 were sold is slightly higher than during 1931, the general level of prices at the end of the year had fallen below this average. The most that one can say is that countries with currencies linked to sterling have fared much better than those which are still on a gold basis.

If Honourable Members are interested in studying the position, I would commend to their attention the Review of the main items of India's foreign trade for 1932, which has been prepared by Dr. Meek, the Director-General of Commercial Intelligence and Statistics, and which I propose to circulate as usual with the budget papers. In my present speech I can only deal with the broad aspects of the position.

6. The results of the further deterioration in the general world position are revealed in India's export figures which for the 10 months from April to January showed a total value of 110½ crores as compared with 134¾ crores for last year.

7. In the case of practically all the main items the decline is accounted for by a fall in the quantities rather than the price of the articles exported. This is true of the following decreases,—cotton exports 6½ crores, jute 1¾ crores, grain, pulse and flour about 2 crores, seeds just over 2 crores. The only exception to this under the major heads of exports is the case of tea where a slight increase in the quantity exported has been accompanied by a fall of 3 crores in value.

8. I may at this stage note that during 1932 there was a slight improvement from India's point of view in the correction of the disparity between the price levels for the main articles which she has to sell and those which she has to buy. According to Table XV of Dr. Meek's review it is shown that the average index figure for the main export articles, taking 1913-14 prices as 100, was 77 for 1931 and 79 for 1932. On the other hand, the index figure for the main articles of import averaged only 84 in 1932 as compared with 87 in 1931.

9. For appreciating the significance of the comparison which I have made between exports for the first 10 months of the current year and last year, it is necessary to compare the present figures with the general average levels for the post-war period. In the figures for the current year, the most striking feature has been the fall in the exports of Indian cotton which has been only offset to a very small extent by an increase of the consumption of cotton by Indian mills, for they have provided for their larger production mainly by greater purchases of imported cotton. Comparisons between results for the calendar year 1932 and the average for the 10 years from 1920 to 1930 bring out the same point.

		Quantities.			*Values.*		
		Average of 10 years ending 1930.	1932.	Percentage.	Average of 10 years ending 1930.	1932.	Percentage.
					Rs. (lakhs).	Rs. (lakhs).	
1.	Cotton, raw .. .. .. Ton (000)	616	286	46	69,09	16,03	23
2.	Hides and Skins (Raw and Tanned) .. .. Ton (000)	70	42	60	13,95	7,76	56
3.	Jute, raw and manufactured .. Ton (000)	1,499	1,176	78	72,84	31,49	43
4.	Tea .. .. lb. (millions)	346	368	106	27,06	16,89	62
5.	Groundnuts* .. .. .. Ton (000)	448	472	105	11,21	8,11	72
6.	Rice (not in the husk) .. .. Ton (000)	2,067	2,076	100	36,98	17,16	46

This table shows how terribly the value of India's exports has declined compared with what had come to be accepted as a normal level in the post-war period. But even so the figures as regards quantities exported—with the sole exception of cotton—have kept up in a manner which seems to justify the view that India has not even yet suffered quite so badly as most of the other countries producing primary agricultural products.

Raw cotton is by far the worst sufferer and during 1932 the exports had fallen in quantity by more than a half, a fall which as a result of the lower prices is increased to one of more than three-quarters in value as compared with the average for the past 10 years. For jute the fall in volume was about a quarter while the fall in value is more than a half. In the case of tea, although the volume of export was more than maintained, the value was reduced by more than a third. In the case of rice, the volume of export was maintained but the value fell by over 50 per cent. Groundnuts on the other hand show an increase in quantity but a decline in value.

10. While the value of India's exports has thus further declined this year as compared with last, the course as regards imports has been strikingly different. For these, at 112¾ crores for the first 10 months of the current year, show a rise of about 7½ crores on the corresponding 10 months of last year. Here again an examination of the actual changes in the case of the main articles of import is interesting and suggestive. By far the largest item is the increase of just over 7 crores in cotton piecegoods and yarns. It may perhaps be said that in this case exceptional factors have come into play, because the preceding period with which it compares, influenced as it was by non-economic factors such as the boycott, can hardly be regarded as normal. The important fact to remember, however, is that this increase in imports of cotton piecegoods was accompanied by a striking growth in the production of Indian mills,—which according to Dr. Meek's figures increased by about 11 per cent. or 284 million yards in the first 11 months of 1932 as compared with 1931. It must also be noted that there has been a marked increase in the imports of other piecegoods, woollen, silk, artificial silk, and mixtures.

The increase in Indian production of cotton goods accounts for the next interesting item of increased imports on which I must comment, namely, of raw cotton, which at 6·36 crores are 79 lakhs up on last year. The steady growth during recent years in these imports is most remarkable. Taking the "cotton years" up to August 31 in each case, imports of foreign cotton expanded from just over 20,000 tons in 1928-29 to 97,000 tons in 1931-32.

11. Another interesting item is machinery, where the imports at 9½ crores are only a few lakhs less than last year. Here there would have been a much greater fall if it had not been for a striking increase in the imports of plant for sugar factories, the imports of which in the 9 months to the end of December amounted in value to 138 lakhs as compared with 30 lakhs last year and only 9 lakhs in 1929-30.

In the case of certain other machinery too there have been increases which are encouraging. Thus, taking the full calendar year 1932 as compared with 1931, cotton machinery increased from 180 to 208 lakhs, while tea, jute and wool machinery increased by 13, 3 and 1 lakh, respectively.

* The trade in groundnuts has been expanding rapidly during the period.

12. These are the chief items of expanding imports. As against this I must comment on the two most striking examples of declines. Imports of foreign sugar at 3.66 crores are down by 1⅛rd crores. This indicates the continuance of a steady process of decline in the value of sugar imports which for 1930-31 was about 9 crores, and in 1929-30 about 14 crores. The decline may be partly due to decreased purchasing power as evidenced by decreased consumption of refined white sugar, but I think it is a fair appreciation of the position to say that it is mainly due to the increase of Indian production. I explained last year that we estimated the production of Indian sugar to be increasing at the rate of 60,000 tons per annum, and it looks now as if this rate were being considerably accelerated. I shall deal later with the effects of this on our revenue position.

13. Another striking example of decline is the case of vehicles—mainly of course motor-cars, buses and lorries, which at 304 lakhs for the 10 months show a decline of 89 lakhs on last year and are less than ⅛rd of the value in 1929-30.

It is probable that I shall be told in the course of debate that the decrease is mainly due to the high level of our import duties. I think it more correct to regard it as mainly caused by loss of purchasing power, which on the one side restricts luxury expenditure, and on the other induces owners of cars and heavy vehicles which are not used for luxury purposes to avoid replacements which are not absolutely necessary.

14. It is not possible in a budget speech to go into all the interesting details in our trade returns, and I am concerned now only with broad conclusions, and more particularly with those that affect our revenue estimates. With some of these broad conclusions I wish now to deal. In the first place the results as regards imports combined with the figures of Indian production of such articles as salt and kerosene and cotton piecegoods seem to reinforce one of the points which I emphasised in my speech last year—namely, the extraordinary power of resistance, in spite of diminished purchasing power, which India shows in maintaining the consumption of certain standard necessities of the masses.

15. I have had a table prepared which will be printed with this speech anlaysing the results as regards certain main articles of consumption classified under three heads—luxury articles, requirements of industry, and necessities of the masses. The classification cannot be entirely accurate, and it is difficult to say exactly where such articles as sugar and artificial silk piecegoods should be placed ; but if one takes such articles as cotton piecegoods, kerosene, and salt as necessities for the masses, machinery, lubricating oil, cement and chemicals as industrial requirements, and tobacco, liquors and motor-cars as luxuries, one can at least draw interesting conclusions.

In order to get at the figure of consumption I have taken imports plus local production for articles which are produced in India, and imports only for those articles which are not. This again may not be entirely accurate for a particular year, for some of the imports and home production may have gone into stock, particularly in the case of cotton piecegoods during 1932 ; but it affords a rough guide, and, for an average of years, must be fairly accurate. On this basis I have made a comparison between the consumption for the calendar year 1932 and the average annual consumption for the ten-year period from 1920 to 1930, which may be regarded as a period of prosperity with high prices and high purchasing power. The table shows both quantities and values. Values have been calculated as follows. In the case of articles which are only imported the declared values have been taken and the various rates of import duties during the ten-year period have been added. For articles which are both imported and manufactured the value of the internal production has been estimated on the basis of the declared value of the corresponding imports together with the appropriate rate of duty for each year of the period.

The results shown in this table are, I think, extremely interesting. As regards the three articles which I have taken as necessities for the masses, the quantities of consumption are in all cases higher for 1932 than for the ten-year average 1920-30. Piecegoods with a total of 5,827 million yards as compared with 4,923 million yards for the earlier period are 18 per cent. up. Kerosene oil with a total of 235 million gallons as compared with 232 million gallons for the earlier period is 1 per cent. up. Salt with a consumption of 2,106,000 tons as compared with 1,965,000 tons for the earlier period is 7 per cent. up.

Turning to values, there is of course a fall in these for 1932, owing to the lower prices prevailing in spite of the higher duties. The total value of all these three commodities consumed in 1932 was 162 crores representing 78 per cent. of the average for the ten-year period, which was 207 crores.

In the case of the articles required by Industry, it is of course impossible to compare quantities for such miscellaneous heads as machinery and millwork, or chemicals. The table shows a fall in value for machinery and millwork of about 40 per cent. which, allowing for the fall in prices, must indicate a very much smaller fall in quantities; a fall both in quantity and value of lubricating oil of between 30 and 40 per cent.; an increase in quantities of cement accompanied by a fall in values; and an increase of 26 per cent. in the value of chemicals. The total value of all these articles for 1932 is 70 per cent. of the value for the ten-year period.

Turning to luxuries, there is a very heavy fall in motor-cars, with a figure of 5,300 cars for 1932 as compared with an annual average of 11,400 in the earlier period. Quantities represent 46 per cent. only, and values 43 per cent. only of the earlier period. I would note here that the value per car has fallen in spite of the increased duties. Tobacco consumption for 1932 represents 61 per cent. in quantity and 51 per cent. in value of the earlier period, and liquors 92 per cent. and 73 per cent. respectively. Altogether the total value of the three luxury articles consumed in 1932 represents 58 per cent. of the average value for the earlier period.

I think it is fair to say that these figures indicate that certain luxury and quasi-luxury articles show very heavy decreases in consumption; that industry has stood up fairly well, and that in certain fields—particularly the sugar industry and the textile industry—expansion in India is still progressing in spite of the world slump; and lastly that as regards the necessities of the masses the consumption figures are being maintained in a most remarkable way in spite of loss of purchasing power, while in spite of increased excise and import duties consumers have had a substantial benefit from the fall in prices.

I must add in conclusion one obvious but most important point, namely, that the really striking falling off in India's normal consumption has been in the case of precious metals. As is well known, India imported gold and silver of the average annual value of about 40 crores in the years from 1920-30. The power to cut out this enormous margin has been a tremendous factor—equal in importance almost to the actual sale of gold, to which I shall refer later—in enabling India to go through this period of depression without being forced to cut down her normal absorption of those commodities which are needed for daily consumption.

16. The figures in the following table indicate imports except in the case of articles marked* where the quantities given include figures of production so far as available. In the case of salt, production figures relate to British India excluding Aden. The value figures of production have been estimated on the basis of the average declared value for imports.

		Quantities.			*Values (cum duty).*		
		Average of 10 years ending 1930.	1932.	Percentage.	Average of 10 years ending 1930.	1932.	Percentage.
					Rs. (lakhs).	Rs. (lakhs).	
(A). *Luxury articles*—							
1. Motor-cars	No. (000)	11.4	5.3	46	3,50	1,51	43
2. Tobacco	lb. (000)	8,396	5,104	61	4,03	2,06	51
3. Liquors	Gal. (000)	5,915	5,429	92	5,93	4,30	73
Total of (A)		..	..	..	13,46	7,87	58
(B) *Requirements of Industry*—							
4. Machinery and millwork		..	..	..	19,62	12,04	61
5. Lubricating oil	Gal. (Million)	22.3	14.3	65	2,28	1,57	69
6. Cement*	Ton (000)	492	551	112	3,73	2,86	77
7. Chemicals		..	..	..	2,64	3,34	126
Total of (B)		..	..	..	28,27	19,81	70

		Quantities.			*Values (cum duty.)*		
		Average of 10 years ending 1930.	1932.	Percentage	Average of 10 years ending 1930. Rs. (lakhs).	1932 Rs. (lakhs).	Percentage.
(C) *Necessities for the masses*—							
8. (*a*) Cotton piecegoods (Mill-made)*	Yds. (Millions)	3,677	4,327	118	131,72	99,40	76
(*b*) Cotton piecegoods (hand-loom)	Do.	1,246	1,500	120	44,85	34,46	77
Total	Do.	4,923	5,827	118	176,57	133,86	76
9. Kerosene oil*	Gal. (Millions)	232	235	101	17,73	16,27	92
10. Salt*	Ton (000)	1,965	2,106	107	12,74	11,84	93
Total of (C)		..	..	..	207,04	161,97	78
(D) *Articles of doubtful classification*—							
11. Artificial silk piecegoods ..	Yds. (Millions)	27.8	116.2	418	2,24	4,38	196
12. Sugar	Ton (000)	781	462	59	23,69	12,75	54

17. I must now turn to another broad aspect, the position as regards the balance of trade and of payments. With exports for the 10 months at 110½ crores and imports at 112¼ crores, India has a slight adverse balance of trade in merchandise. As in the last months, however, the tendency has changed, and there has been a reduction in the adverse margin, one may not unreasonably anticipate that the year will end with an even balance. But owing to India's large "invisible imports"—mainly represented by external obligations—an even balance of trade in merchandise falls far short of giving us an even balance of payments, and therefore India could not support the present volume of imports without very embarrassing results unless the position were being helped by some other factor. That factor in the present case has been, as Honourable Members well know, the export of gold. I do not propose to give a mass of figures illustrating this aspect of the matter now, because I dealt with it very fully in a speech at the Ottawa Conference which I believe most Honourable Members have seen. The broad fact is that India could not with exports at their present level support the present volume of imports simultaneously with meeting her external obligations unless they were supplemented by gold exports. What is happening now may be put in two different ways, either that part of India's consumable imports are being paid for in gold, or that gold sales are providing the means to meet external obligations and, as I shall hereafter explain, to accumulate reserves in external currencies. The truth really is that what is happening is a combination of the two processes, for it must be remembered that so far as concerns the individuals who make up the mass of producers of goods for export and consumers of imported goods, they have to pay for the latter with customs duties added, and as customs duties on the 112 crores worth of goods imported for the 10 months of the current year amount to 38 crores, one may say that the exports to the value of 110 crores are being supplemented by gold sales in order to pay for goods at the imported value of 150 crores, so that 40 crores of the gold proceeds have been used to pay for consumable goods. To this extent therefore it may be said that India is helping herself to tide over a period of unexampled depression by drawing on her reserves of gold, and thereby avoiding reducing her consumption to the desperately low level which would otherwise be necessary. This, however, is by no means the whole story, and as there are many questions arising in connection with gold exports which have a vital bearing on the welfare of the nation, and as I know that Honourable Members take very great interest in it, I propose to deal with this subject again, as last year, at some length.

18. In the first place I know that there are many who regard what is happening as a dangerous process of living on capital. I think it fairer to regard it, as indeed I pointed out last year, as a process partly of exchanging one form of investment for another, and partly of tiding over a period of abnormal difficulty by drawing on reserves which had been accumulated in better times; reserves, moreover, which produce no revenue, so that their depletion does not bring about any decrease of income. To that extent we have regarded the process as a legitimate use of reserves, which has on the whole been beneficial to the people. How long such a process can, without damaging the country, continue is another matter, but I must point out that so far as Government is concerned nothing that it could do could prevent individual owners of gold selling their gold and using the proceeds for investment in other forms or for the purchase of consumable goods.

19. There is, however, another beneficial aspect of the process to which I think it important to direct attention. I have already commented on what is the worst feature of the present world situation, namely, that practically every nation to-day in order to preserve its balance of international payments has been forced to put artificial restrictions on its imports, by way of high duties and exchange restrictions. This is checking the flow of international trade, so that its channels are gradually becoming completely dry, and is the main evil from which the world to-day is suffering. We ourselves by increasing our own import duties have done something to add to the evil, but if the flow of imports into India had not been helped by the exports of gold the case would have been very much worse. India in fact has been able to release into the world a commodity for which alone there is an undiminished market and the possession of which, if it is used as a basis for currency, does not diminish but rather increases the purchasing power of the countries which absorb it. By doing so India has been enabled to take more imports and thereby in this second way also to increase the purchasing power of her own potential customers. This last point indeed must always be borne in mind, for we cannot restrict our own imports without weakening the market for our exports of merchandise.

20. There is still a third point on the credit side of the account to which I must call attention. The proceeds of the gold which have been sold have only to a limited extent been balanced by the purchase of consumable commodities. A great portion has undoubtedly been invested. The increased demand for Government securities affords general evidence of this, and that the process has been widespread and not confined to the richer classes can be very clearly seen from the figures of Post Office cash certificates and Savings Bank deposits. The figures here are most striking. Making very conservative allowances for what we shall get in the last two months of the year, we estimate the net investment in Post Office cash certificates this year at 10 crores and the net addition to savings bank deposits at 4.35 crores. Both these figures greatly exceed any previous record, and I may point out that the figure of 10 crores for Post Office cash certificates compares with average net receipts of about $2\frac{3}{4}$ crores annually for the period from 1917, when these certificates were first started, until March 31, 1931. Moreover, the high figure for this year follows on the exceptionally high figure of 6.15 crores for net receipts last year. These figures therefore clearly show that proceeds of gold sales have been converted into investments by the poorer classes, and although the Indian habit of accumulating reserves of gold has stood the country in good stead in the present crisis, I feel forced to regard it as a beneficial advance that the exceptionally high price of gold in rupees should have started a process of exchanging barren gold reserves for interest-bearing Government securities as a form of investment. If only the process is kept in proper channels, and the people of India are not misled, as the people of the United States were in the post-war boom, to putting their savings into wildly speculative investments, the result must in the long run be of great benefit to India.

21. But I must now turn to another aspect of the matter. There may be some who would agree that there is some truth in what I have said up to this point, but who have an uncomfortable feeling that the country is being weakened by the process, and that Government if they had adopted a different policy could have prevented this weakening. Such people argue that, even if we could not prevent private individuals who wish to do so from selling their gold, Government ought to have acquired it for themselves and thus have prevented it leaving the country. I shall deal later with the criticism of Government policy. For the present I am only concerned with presenting an account of what has actually happened, and I think that Honourable Members will find the account interesting. I propose to take the period of 15 months from the end of September 1931, just after England went off the gold standard, up to December 31, 1932, and shall endeavour to put the position in the simplest possible form.

22. In this period of fifteen months, India on balance exported 107.08 crores of gold. We may thus take it that private individuals during this period acquired out of the proceeds of gold exports balances in external currency, probably mainly in sterling, to the extent of £80$\frac{1}{3}$rd millions. During this same period exports of merchandise were 181.37 crores and imports 161.45 crores, giving a favourable balance of 19.92 crores equivalent to, say, £15 millions. This sum also may be taken as having been converted into external currency

balances by private individuals. Adding this £15 millions acquired against merchandise to the total of £80⅓rd millions acquired against gold exports, the total external balances acquired by private individuals from October 1, 1931, to December 31, 1932, amounts to £95⅓rd millions. Out of this sum Government has acquired by its purchases in the market as currency authority no less than £69⅔rds millions.

The balance of £25⅔rds millions has been retained on private account. I will deal with this latter portion later and consider first what the Government has done with the sterling balances of £69⅔rds millions which it has itself acquired.

23. In the first place Government has used about £34 millions in meeting its ordinary recurrent commitments.

Secondly, it has used £15 millions in discharging the 5½ per cent. sterling loan which matured on January 1, 1932, thereby liquidating an obligation which cost it £825,000 equivalent to Rs. 110 lakhs per annum, and greatly strengthening its credit in London.

Thirdly, Government has added about £11 millions to its currency reserves, and lastly, the balance of £9¼ millions was added to the Government's Treasury balances, and is really potentially available for further strengthening of its currency reserves.

Government therefore made good use of the abnormally high amount of sterling which it was able during these fifteen months to purchase as a result of the gold exports.

In order to complete the picture I may here add that a 5 per cent. sterling loan for £10 millions was floated during the same period, out of the proceeds of which £6 millions 6 per cent. bonds were repaid and the remaining £4 millions of which were used as a further addition to the Treasury balances.

Taking this last transaction into account, the combined result is that during the fifteen months the Government has reduced its sterling debt by a net amount of £11 millions sterling, has increased its currency reserves by £11 millions and its treasury balances by £13¼ millions. The total of these amounts is £35¼ millions, so that out of our £69⅔rds millions sterling we used about £34 millions for meeting our current requirements and £35¼ millions sterling for strengthening our position. Incidentally we may thus be said to have advanced by £35¼ millions towards the position required for setting up a sound Reserve Bank.

24. I must now turn to consider the sum of £25⅔rds millions which, as I have explained, must be regarded as having been retained by private individuals out of the total proceeds of gold exports and the balance of trade in merchandise. What has happened to this money ? In the first place, as Honourable Members are well aware, a substantial proportion of the external currency derived from the sale of Indian exports abroad is always retained on private account. The amount required is influenced by two factors, first normal current requirements, and secondly, movements of capital. The normal current requirements are for such things as sea freights, interest and dividends on investments in India held abroad, family remittances, money spent abroad by travellers from India, etc., etc. The movements of capital may be either transfer of funds for permanent investment by private individuals, or the movement of funds by banks for temporary investment in treasury bills, etc. These movements of capital may of course take place either towards or away from India, and therefore either reduce or swell the amount required to meet current requirements. The annual reports of the Controller of the Currency always give clear figures and explanations on this point and I would refer Honourable Members to them. I cannot within the limits of this speech attempt any full examination of this matter, but from the investigations of the Controller of the Currency it appears to be a fairly accurate estimate to say that in the 15 months with which I am dealing about Rs. 15 crores or £11¼ millions was required for the repayment of money invested in Indian treasury bills by foreign banks, and that the balance of about £14 millions was required to meet normal current requirements. The repayment of the treasury bills, of course, represents a strengthening of the Indian position.

25. It is now possible to reconstruct the whole picture. For this purpose I think it is fair to take the surplus balance of trade in merchandise of £15 millions as earmarked for meeting, in the first place, the normal private current requirements of £14 millions. Thus, in round figures, the position as regards the proceeds of the gold sales would be as follows. Out of £80 millions which represent the proceeds of the exports of gold Government acquired £70 millions and £10 millions served to repay foreign funds temporarily invested in India. Government out of its £70 millions used £34½ millions to meet its own current requirements and £35½ millions to repay sterling loans and strengthen its reserves. Therefore out of the total £80 millions of gold proceeds only £34½ millions were used to meet current requirements, and the balance of £45½ millions went to reduce India's external obligations and strengthen her public reserves.

Looking at the matter from the side of the Indians who have sold the gold, they have acquired 107½ crores of rupees and of this, while a portion has been spent in meeting current requirements (i.e., paying customs duty on imported goods and other taxes), a very substantial portion also, as is clear from the figures which I have given, must have been retained in currency or invested in Government securities.

Therefore whether the position is viewed from the side of public finance or private investment, it is clear that to a very large extent the gold exported does not represent a drawing on reserves, but merely the conversion of one form of reserve into another. Apart from this, as there are some who, while not criticising what has happened so far, consider that the process of so-called drawing on reserves has now gone far enough, I wish to remind the House that even though the amounts exported have been very large, the figures are still small in relation to India's resources. The fact that the published figures are given in values tends to give an exaggerated idea, because, of course, gold now stands at a premium of about 30 per cent. If we look at the statistics of the weight of imports and exports the strength of India's position is extraordinarily striking. From September 1931 up to the end of December 1932 India had exported slightly over 14 million ounces of gold. As compared with this the imports between April 1926 and September 1931 exceeded 15 million ounces ; so that, in spite of the enormous amounts hitherto exported, we are not yet back to where we were in April 1926. If we go further back the results are still more striking. The net imports from April 1922 to March 1926 exceeded 28 million ounces, and this means that India can go on exporting gold until the total quantities have risen to three times the amount of what has already been exported, and still have more gold in hand than she had eleven years ago.

So far, therefore, regarding the whole position of India as a single interest and considering the vast size of the accumulations of gold which exist, it cannot be said that there has as yet been any dangerous depletion.

26. I have been concerned in making this examination rather with presenting a picture of what has happened than of defending Government's policy, but it will help to complete my explanation if I now deal with some of the criticisms which have been made. The general argument is that if Government had prohibited the export of gold and been ready to purchase on its own account against rupees all the gold that has come forward for sale, then Government would have been able to reinforce its own currency reserves to that extent.

I have already shown that Government has actually acquired seven-eighths of the sterling proceeds of the gold exported up to December 31, 1932 ; but, as I wish to follow out the criticism, I will consider the simple question :—

" What would have happened if Government had prohibited the export of gold and thereby allowed to those who wanted to sell it no other opportunity except to sell it for rupees?" In the first place it is highly improbable that the same amount of gold would have been sold—but I leave that out of account and will assume that Government would have bought it all. What then would have been Government's position ? In the first place it would have had to convert £45 millions of it into sterling to meet some of the purposes which I have already explained, namely, its current requirements and the net discharge of £11 millions sterling debt. As regards the £24½ millions which it has, as I have explained, actually used for strengthening

its currency reserves and Treasury balances, it might have kept this sum in the form of gold. But I do not think this would have been good policy, for we already have our proper proportion of gold in our currency reserves, and we should have been well advised to convert this amount also into interest-bearing sterling investments.

27. I am left to explain what would have happened to the balance of £25¾ millions retained on private account, or rather the £10 millions out of this sum which represents the proceeds of gold exports ; for it is this sum which our critics say we should have secured to ourselves if we had purchased the gold and which by our actual policy we have lost. But should we have been able to retain it ? Certainly not. This balance was needed for the purposes which I have explained, and if we had bought the gold for rupees, the private remitters would then have come to us, as the currency authority, and demanded that we, in accordance with our statutory obligation, should sell sterling to them. We could not under the existing law have refused to do so, and in that case we should have had to use the gold which we had acquired in order to buy sterling to meet our obligation, and thus would have found ourselves in precisely the same position as we are to-day. We could only have refused to sell the gold in two ways. Either we should have had to get a law passed to relieve us of our statutory obligation, in which case who would venture to prophesy what would have happened to the sterling value of the rupee ? Or, as an alternative, we should have had to pass a law putting a rigid restriction on all exchange transactions, which have been a gross and unnecessary interference with the liberty of private individuals to deal with their own property, and would necessarily have led to a very serious restriction of imports.

Either of these alternatives would have been very serious steps, which might have had far-reaching and dangerous effects on our position. Those who criticise our policy as regards gold must first be very sure in their own minds whether they would have welcomed them.

28. I have explained the position as fully and fairly as I can, and I hope that I have done so clearly. I have done this not as an advocate anxious to defeat his opponents, but as one who earnestly desires to clear his own mind as to what is right and to put the real issues before the public. We do not claim for ourselves either perfect wisdom or any monopoly of such imperfect wisdom as is attainable in this world, but I think what we can claim is that our policy has guided India through a period of quite unexampled difficulty without disaster, and that at the end of these two years we find ourselves with greatly improved public credit, with greatly strengthened resources, and with the freedom and security of private trade unimpaired. Nor can I believe that any single interest of the country has hitherto been sacrificed or damaged. The policy therefore has worked well so far, and more than this I do not claim. The times in which we live are so uncertain and abnormal that no one could venture to lay down that a particular policy must be for ever infallible. We must be guided by events. But till now and for the present we do claim that our policy has worked well, and that while that continues it would be unpardonable rashness to plunge into the unknown depths of wild experiments.

29. I am afraid that my argument as to Government's policy as regards gold exports has led me into something of a digression from the review of India's economic position which was my main purpose at this stage.

I may now sum up my own conclusions on that review. For my own part, the main impression gained by a study of what has been happening during these last two years of terribly difficult times is one of admiration and wonder at the way in which India and her people have adjusted themselves to the emergency. The more highly organised Western nations may well take lessons from her in this respect. While I have commented on the enormous decline in the demand for India's export products, it is a remarkable fact that this has not yet led here, as in other countries, to the piling up of unmanageable stocks which form both a source of weakness to the country that holds them and a menace to the rest of the world. The diversity of cropping in most parts of India has led to a comparatively quiet adjustment to changed conditions without elaborate schemes for restriction of production, or dangerous experiments for using public funds to finance surplus stocks. The striking restriction which was effected after the 1930-31 season in the jute area of Bengal is well known,

but in the case of cotton also an adjustment has taken place aided partly by short crops and partly, though only to a regrettably small extent, by increased consumption by Indian mills of Indian cotton. To some extent, in certain cases such as sugar, Government policy has helped the agriculturalists to find profitable alternatives in money crops. Linseed is another important alternative crop for which possibilities of an increased outlet have been opened up by the Ottawa Agreement. In this case a fairly substantial increase in the area sown had been undertaken before the Ottawa Agreement was implemented, and the preference now secured in the British market may justify a further increase. Groundnuts, again, have provided another alternative outlet, and this crop has become in Madras a money crop of first rate importance, and is becoming an alternative crop to cotton of growing importance in Bombay and Berar. Where export facilities have been lacking for a particular crop and alternative export crops have not been possible, there has been a spreading over into miscellaneous crops for local consumption. In the case of Bengal, where the main reduction in the jute area occurred before last year, it has been possible to examine conditions fairly closely, and there the alternative crops were mainly rice, maize, millets, smaller pulses, and to some extent sugar-cane. It is difficult to trace exactly the complete economic effects of these adjustments, but one conclusion is probably justified, and that is that the poorer classes and particularly the wage-earning classes whose wages have not been reduced proportionately to the fall in values of local food produce, are at present being better fed than ever before. Thus some advantage at least is gained.

If one turns to the other side—the side of consumption—one gets the same impression of comparative stability, for here the power to draw on reserves has, as I have explained, resulted in a remarkably steady maintenance of consumption, in spite of increased duties, of the main necessities of the masses. In fact, by cutting off imports of precious metals and supplementing her purchasing power by drawing on her reserves of gold, India has been able to keep up her standard of living and her position as a customer for the goods supplied by the rest of the world to more nearly normal levels than most countries. In this way she has avoided an undue weakening of the position of her own potential customers, a result which has been further helped by the release of gold supplies to the world.

Simultaneously with all this the figures show a striking increase in investment by the poorer classes.

30. The result of this survey has seemed to us to justify the assumption for the purposes of our estimates that general conditions as regards consumption of dutiable articles may be expected, even without a striking world recovery, to remain fairly constant next year. But having stated this assumption it is necessary to add a note of warning. Neither the process of drawing on reserves, nor that of agricultural adjustments, can be continued indefinitely. As to the latter point, seeing that the contraction in export demand applies to practically all our export crops, the range of adjustment is comparatively narrow, and, if a further fall in purchasing power is to be avoided or minimised determined efforts are necessary both to make the most of every possible export outlet for our produce, and to supplant by local production imports of such articles as long-staple cotton.

Further, in regard to both points, India remains as deeply interested as any other country in efforts to promote international co-operation and the recovery of world trade. If the present low levels as regards both prices and world demand for agricultural products were to become stabilised, very serious problems would have to be faced and it would be necessary for those responsible for governing India to take stock again of the whole position.

Effects of the general economic position on tax revenue.

31. I want now to show as briefly as possible how some of the broad phenomena which I have been describing appear when translated into revenue results.

32. As might have been expected from what I have said, revenue from salt, kerosene and cotton piecegoods has been very satisfactory for the current year.

We estimate salt revenue at 10.38 crores as compared with a budget estimate of 9.43 crores.

Kerosene import and excise duties are expected to produce 4.25 crores as compared with a budget estimate of 4.42 crores.

Cotton piecegoods import duties are put at 6.40 crores as compared with a budget estimate of 3.79 crores.

33. In the case of cotton piecegoods, however, we think it necessary to treat the imports for the current year as to some extent abnormal.

Quantities imported have shown a great advance, the yardage in the 9 months, April to December, 1932, being about 30 per cent. up on the same months in 1930 and about 70 per cent. up on 1931. That this is partly due to other reasons than the price factor is shown by the fact that the recovery has been shared by British goods, the average price of which has not fallen appreciably. To this extent, general causes—notably the waning of the boycott movement—must have operated ; but it remains true that so far as Japanese goods are concerned, the very heavy fall in prices which followed on the depreciation of the yen has been the most important stimulus to the import trade. The result was a strong demand from the Indian mill industry for the exercise by Government of their powers of increasing the protective duty ; and on August 30th, 1932, this was done, the duty on non-British goods being raised from 31¼ per cent. to 50 per cent. *ad valorem*, with the minimum for plain grey goods raised from 4⅜ annas to 5¼ annas a pound. By this time, the imports from Japan had been 257 million yards against 135 million in April to August 1931, with an average value of 2.3 annas a yard against 2.6 annas in 1931. But in this trade it is prospects and forward business that are most important ; and that the action taken in August was timely is shown by the fact that the considerable imports which came forward in the following four months had an average value as low as 2.03 annas a yard or 78 per cent. of the 1931 average. The effect of the increase of duty, coupled with the fact that imports made or contracted for before it had been made must have left fairly large stocks in hand, has been a steady decrease in imports so that in January the duty taken on non-British piecegoods was only seven-tenths of that taken, at the same enhanced rates, in September.

34. In close connection with cotton piecegoods I must mention artificial silk goods and mixtures. In spite of the great enhancement of the duty (from 20 per cent. to 50 per cent. and 34⅜ths per cent. respectively) and in spite of a striking reduction in the value of Japanese goods, the total values of imports have increased.

We now estimate receipts from artificial silk goods at 130 lakhs for the whole year and mixtures at about 20 lakhs, as compared with earlier estimates of about Rs. 70 lakhs and Rs. 13 lakhs respectively.

35. Other special heads under which revenue receipts have been most satisfactory are the new duties on raw cotton and machinery. Our estimate of revenue from the duty on raw cotton is now 62 lakhs against our original budget estimate of 32 lakhs. Similarly, in regard to duties on machinery we now anticipate a revenue of 115 lakhs against our budget estimate of one crore.

36. As against these satisfactory results I must comment on the main heads where we have fallen far short of our estimates. Sugar is the most important item. In this case we now only expect an import of about 435,000 tons producing duties, including land customs receipts, of Rs. 7.80 crores against the budget estimate of 550,000 tons and about 10 crores respectively. The development of sugar manufacture in India, though satisfactory in itself, is, as I have already noted, making a very serious hole in our revenue. The duty at present works out at something like 166 per cent. *ad valorem*, and it is therefore obvious that if purchasing power which was once put into sugar is diverted to some other commodity paying lower rates of duty, the revenue must be a heavy loser. If, for example, 1½ crores are spent on sugar machinery including the 10 per cent. duty, the revenue gets about 13½ lakhs. On the other hand if 1½ crores are spent on sugar including duty, the share of the revenue in the total purchase price is about 93 lakhs.

37. Silver, again, has failed to come up to our expectations, and it is clear now that we cannot rely on any appreciable imports of any precious metals as long as the present depression continues.

38. Motor cars and cycles have shown heavily reduced figures and we now estimate receipts at 60 lakhs only against 80.63 lakhs budgetted and actuals of 95.01, 72.31 and 63.20 lakhs in three previous years,—despite the increases of the rate from 20 per cent. in 1929-30, when the duty was 95 lakhs, to 37½ per cent. in the current year. We have carefully considered representations that this is due to the operation of the so-called law of diminishing returns, but have not been able to satisfy ourselves that this is the case. The use of motor vehicles has not diminished in anything like the same ratio : our estimate for this year for the motor spirit duty (customs and excise) is 4,30 lakhs, equivalent to 258 lakhs at 6 annas a gallon which was the rate in force in 1929-30, when these duties yielded 298 lakhs. It is very obvious that apart entirely from any enhancement of duties, a period of acute depression will affect what I may call capital expenditure more than recurring expenditure, and this factor must be particularly noticeable with motor vehicles, the number of which on the road was probably excessive before the depression came.

39. Of the taxes on luxuries, the most important (apart from silk and artificial silk piecegoods) fall on articles which are such as I have just described as representing recurring expenditure,—that is to say, goods that are consumed on being taken into use. The principal such items are liquors, tobacco and spices and betelnuts. The yield of the tobacco duties which we now estimate at 125 lakhs, has been greatly reduced as a result, not of decreased consumption, but of the transfer to India of the manufacture of many brands of cigarettes that used to be imported : we still get the duty on such imported leaf as is used in making these brands, but that duty is much lower than the corresponding duty on cigarettes. Liquors are standing up pretty well : the heavy increases of duty and the general depression have reduced consumption heavily, but those very increases serve to bring up the estimated yield for the year to a figure not far short of the actuals in 1929-30 and 1930-31. Betelnuts and spices, which have a duty less severe in its *ad valorem* incidence, have been very successful items ; any decline in imports has been much more than set off by the increase in duty rates and our revised estimate for these two heads is 76 lakhs against actuals of 46 and 37 lakhs in 1929-30 and 1930-31.

Analysis of Revenue and Expenditure estimates—1932-33 *and* 1933-34.

40. I have dealt at some length with certain important factors which have played a part in the current year's results because I wanted to make clear what sort of considerations we had in mind in framing our estimates and in deciding what proposals to put forward.

It must be clear from what I have said that to estimate revenue for next year—particularly customs revenue—is, in view of the completely uncertain and abnormal conditions, a task of quite unprecedented difficulty. Indeed I may say that accurate estimation is impossible. In these circumstances and for the reasons which I have explained, we have thought that the most reasonable course is to assume that the general position next year will be the same as for the current year, neither better nor worse, and in particular that India will be able to maintain the same purchasing power for commodities imported from abroad.

41. *Customs.*—The assumption, however, that the value of imports will be maintained does not necessarily imply that the value of the import duties will also remain the same.

I have already explained the special position as regards sugar, showing how the present development of the Indian industry is affecting our revenue. On these considerations we think it necessary to allow for a drop of one crore in receipts from the sugar import duties which will not be offset by any increase under other heads.

In regard to cotton piecegoods also, for reasons which I have explained, we think it necessary to regard the revenue from import duties—at least on Japanese goods—as to some extent abnormal and not likely to be repeated. Here therefore we have allowed for a drop of 30 lakhs.

As against these reductions we have thought it safe to count on a small revenue (25 lakhs) from silver imports—because having closed the gap in our land customs line on the Burmese frontier, through which a large trade in silver from China was suddenly developing in the course of the last year, we think it reasonable to expect a moderate resumption of dutiable imports.

Making allowance for these and other minor variations, our customs revenue estimates for next year are put at 51,25 lakhs showing a reduction of 104 lakhs from the revised estimates of the current year.

The position as regards net receipts may be summarised as follows :—

	Revenue (Lakhs).
Budget Estimate, 1932-33	52,31.27
Revised Estimate, 1932-33	52,28.55
Budget Estimate, 1933-34	51,24.60

42. *Income Tax.*—In our estimates for income-tax we are as in the case of customs making the assumption of a repetition of the current year's results. On this basis we should have receipts of 17,70 lakhs next year to which must be added 53 lakhs representing the tax on official salaries in regard to which the exemption hitherto enjoyed is, according to our proposals, to be removed concurrently with the reduction in the cut in pay which we proposed. The total estimate is thus 18,23 lakhs out of which it is reckoned that the 25 per cent. surcharge will account for 3,50 lakhs, and the tax on incomes below Rs. 2,000 for 70 lakhs.

The position may be summarised as follows :—

Taxes on Income.

	Revenue (Lakhs).
Budget Estimate, 1932-33	18,73.38
Revised Estimate, 1932-33	17,70.00
Budget Estimate, 1933-34	18,23.00

43. *Salt.*—The results for the current year justify us in anticipating the continuance of consumption at the present level. We have, however, now exhausted the special temporary acceleration of receipts resulting from the extinction of the salt credit system which was one of the features of our emergency financial plan of September 1931. This produced a special addition to our receipts during the current year of as much as 150 lakhs. Allowing for the disappearance of these exceptional receipts, the net revenue from salt will be 7,58 lakhs.

The position as regards net receipts may be summarised as follows :—

	Lakhs.		
	Revenue.	Expenditure.	Net.
Budget Estimate, 1932-33	9,43.40	1,15.69	8,27.71
Revised Estimate, 1932-33	10,38.00	1,14.77	9,23.23
Budget Estimate, 1933-34	8,75.00	1,16.96	7,58.04

44. *Opium.*—The revenue under this head is being gradually reduced owing to our declared policy of reducing exports. It is also subject to unexpected variations from year to year due to changes in the actual requirements of Foreign and Colonial Governments within their allotted quota. This latter factor accounts for 34 lakhs out of the drop of 38 lakhs in the revised estimate.

The position as regards net receipts may be summarised as follows :—

	Lakhs.		
	Revenue.	Expenditure.	Net.
Budget Estimate, 1932-33	1,32.63	71.62	61.01
Revised Estimate, 1932-33	94.92	86.36	8.56
Budget Estimate, 1933-34	1,20.05	57.36	62.69

45. *Service of Debt and Finance heads.*—It will be convenient if I deal with the service of Debt and the other Finance heads together.

In the first place, as regards interest payments, the reductions shown are satisfactory, namely, 204 lakhs as compared with 1931-32 and 51 lakhs as compared with the revised estimate for 1932-33. I must however explain that the full result of the conversion operations recently undertaken is not yet revealed. The results indeed of the latest operation were not known at the time our estimates had to be compiled ; but apart from this there are other special reasons. Although our main conversion scheme has been directed to substituting one form of permanent debt for another, the process has been a continuous one which is not yet completed, and the first actual result in the current year has been to reduce treasury bills held by the public and the Paper Currency Reserve by approximately Rs. 34 crores. Current rates for treasury bills had fallen so low that this aspect of the conversion actually represents, initially at least, an increase in the interest charges. It must be remembered, however, that this large reduction in our treasury bill outstandings is not only a sound operation in itself, but by strengthening the Government position enables it to reduce interest rates both for the remaining volume of treasury bills and for its permanent debt.

A second point which I have to make in explaining the effect of the conversion operations is that the Government of India is not mainly a borrower on its own account. The great bulk of the borrowings is undertaken for the Railways and through the Provincial Loans Fund for the Provincial Governments.

In the case of the Railways in respect of the whole of their capital outlay met otherwise than from specific railway loans we charge them the average rate of interest which we ourselves pay. The total amount of non-specific debt which enters into our calculations for working out the average rate of interest is, in round figures, 450 crores, and the total Railway capital outlay on which interest at the non-specific debt rate is charged is, in round figures, 300 crores. Any savings from conversion operations will therefore be passed on to the Railways to the extent roughly of two-thirds. Bearing these two considerations in mind, as the sterling loan and the four-rupee loans floated during the current year almost exactly cover our total liabilities in respect of loans maturing, in the case of sterling in 1932-33, and in the case of rupees in 1932-33 and 1933-34, we can reckon that these maturities have been converted at an annual saving in interest of approximately 70 lakhs for the rupee loans and 9 lakhs for the sterling loan, that is to say, that when the temporary effect of the loss due to the reduction of treasury bills has passed away, the permanent saving to the railways will be in the neighbourhood of 53 lakhs, and to general revenues of 26 lakhs.

46. Apart from this it must be noted that the conversion operations only affect what we call our Ordinary Debt. As regards our so-called ' Other Obligations,' although we have reduced the rate of interest on Post Office Cash Certificates from about 6 per cent. to 4½ per cent., the results of this will only very gradually be felt, while in regard to the other heads, Post Office Savings Bank Deposits and Provident Funds, the interest rates which we allow are calculated on methods which will not show any immediate reduction. In fact, as regards the important head of Provident Fund balances, on which we are paying interest at over 3½ crores annually, the rates which we allow will actually show a slight increase next year, because we work on the basis of the average rate of the preceding five years, and we are therefore just now dropping out years when the interest was lower than it was last year.

47. There is, further, another special head under which an increase has had to be provided, which offsets some of our other savings under interest payments, namely, interest on War Debt. The House will recollect that the so-called Hoover moratorium originally extended to the first of the two payments due for 1932-33, and that His Majesty's Government agreed, when the moratorium was first introduced, that as they were not making payments on the debt due from them to America, they would not themselves demand interest on the debt owing from India and the Dominions to them. The House also knows that the moratorium was not extended, and that His Majesty's Government met the full payment on the second instalment due in December last. His Majesty's Government have, however, agreed not to demand any payment due at the present time from their own debtors—India and the Dominions—pending a final settlement of the War Debt question. How that will be settled no one knows, but I hope that it will be in a manner which will bring relief to the debtor nations, for I believe that the world's trade cannot flow in its normal course, nor can any country settle down to normal economic life, so long as these huge international obligations continue as disturbing factors. For the present, however, we have to take account of the fact that the debts exist, and we have made provision in the current year for the second instalment of interest due in December, and for next year on the basis of a full year's payment. For the current year the instalment due, but not demanded, has been debited under the interest head and credited to a suspense account. The amount, however, for which we are making provision next year, has been reduced because we have thought it reasonable to assume that, pending a comprehensive settlement of the question of War obligations in which India's War Loan liability will possibly be included, His Majesty's Government will at least give us the benefit of a reduction in interest rates corresponding to the reduction which they have achieved by converting the British 5 per cent. War Loan. At the same time we have made provision for repaying by equated annual instalments over a period of 20 years our War Loan liability outstanding at the end of the current year including the arrear interest for a year suspended under the Hoover moratorium. The combined effect of this last-mentioned provision and of the reduction of interest rates is that the full provision for next year is £658,800 against a liability of £836,000 under the original arrangement. I must point out however that for 1932-33 we have only had to provide for half a year's interest at the higher rate, namely, £418,000 ; so that under the new proposal interest charges are increased by £240,000 or Rs. 32 lakhs.

While we are making provision for this amount it must be noted that we are not allowing for any receipts under the head of reparations, for these remain suspended under the Lausanne agreement.

We can only hope that these matters will be settled in a fair manner during next year and that possibly the settlement may leave us in possession of a margin. This is one of the favourable possibilities for the future.

The net result of the factors affecting Interest payments, some of which I have just explained, is that interest charges show a net reduction of 2,04 lakhs as compared with the actuals for 1931-32 and 51 lakhs as compared with the revised estimates for 1932-33.

48. The other items which may be classified as 'Finance heads' are the provision for Reduction and Avoidance of Debt and the net revenue from Currency and Mint. Under these heads there is no striking change as compared with the revised estimates. The provision for Reduction and Avoidance of Debt is put at 688 lakhs for next year as compared with 684 for the current year. The amount is arrived at automatically according to the present convention which is well known to the House. An important point to note is that it is a substantially heavier burden now than it was in the period of prosperity from 1923 to 1928—in fact, it is $2\frac{1}{4}$ crores more than the annual average for that period.

49. As to Currency and Mint, the receipts under this head automatically go down when the rate on treasury bills falls. We are allowing for a net reduction of 61 lakhs as compared with the revised estimate for the current year.

50. It will be seen from what I have said that as regards Finance heads there is no great change compared with the revised estimates for the current year. Net interest

charges are down by 51 lakhs, Reduction and Avoidance of Debt is up by 4 lakhs, and the net revenue from Currency and Mint is down by 61 lakhs. Interest receipts show a small decrease of 1 lakh. There is therefore a net deterioration of 15 lakhs.

51. *Commercial Departments.*—I now turn to the remaining important factor—receipts from Commercial Departments. So far as the Railways are concerned I need say little. We take credit in our budget for full interest payments, although, as the Honourable Member for Railways has explained, these can only be met by trenching on the unspent balance of the allocation for depreciation.

As to the Posts and Telegraphs, the position remains, I fear, unsatisfactory. The net loss on working account, which has to be carried in our budget, for next year is put at 57 lakhs as compared with about 48 lakhs in the revised estimate for the current year. This increase of 9 lakhs in the loss allows for an extra charge of 27½ lakhs on account of pay due to the proposed reduction in the cut and 15 lakhs on account of increments. As a small increase of 8 lakhs in revenue has also been assumed, net economies of 25 lakhs have accordingly been achieved in other directions.

52. *Expenditure position.*—Having thus dealt with the position as regards Tax revenue, Finance heads and Commercial departments, I must now turn to consider the main heads of expenditure, Civil and Military. It is this expenditure which above all needs careful watching, and I have no doubt that, now that our main retrenchment campaign is concluded, Honourable Members of the Legislature will feel it to be especially their function to satisfy themselves not only that we have carried out our promises, but also that we are not relaxing our efforts to achieve economy. With that I entirely agree, for I have always taken the view that the pressure for economy must be continuously applied and should not be allowed to become a process of violent energy at one moment to be followed by a period of lassitude and relaxation continuing until a new emergency arises. If, in giving an account of the present position, I am led into very small details, that is a reminder of the fact that it is only by painstaking attention to every detail that expenditure can be controlled.

53. *Civil Expenditure,* 1932-33.—The budget estimate of Civil expenditure for the current year (1932-33), i.e., excluding military expenditure, expenditure on Commercial departments and Debt services, was 20,65 lakhs. Our revised estimate now gives the figure as 20,89 lakhs. There is thus an apparent increase of 24 lakhs. But a closer examination shows that this increase does not denote any increase in real expenditure, and, indeed, that the economy in recurrent expenditure has been greater than that which we promised. The figure of expenditure as shown in our accounts has had to be increased because special items amounting in all to 68½ lakhs, but the great bulk of which do not denote real expenditure, have had to be included.

54. I can classify these items as follows :—

(*a*) Items which merely appear under expenditure heads in the accounts, but are not expenditure in the ordinary sense. These come to a total of 40½ lakhs. The details are as follows :—

(1) Increase in the share of Customs revenue payable to the Travancore and Cochin Darbars. This is unavoidable under the terms of the agreement. It is not really expenditure, but rather a deduction from revenue 2

(2) Extra payments under Opium. This is necessitated by the fact that the yield of the crop was unexpectedly high. The opium has to be purchased from the cultivators, but of course the cost will all be subsequently recovered 15¾

(3) Increased expenditure on fumigation of imports of American cotton. The whole of this cost is recovered 3¾

(4) Carry-forward of certain expenditure from 1931-32 to 1932-33 (Aerodrome works at Juhu and cost of currency note forms) 3½

(5) Increase in the *net* expenditure under Survey of India and the Indian Stores Department owing to short recoveries due to financial stringency and general trade depression. This item does not represent increased expenditure, but as the amount of this grant in the budget is the *net* amount after deducting recoveries, this net amount is increased if the recoveries are reduced 4½

(6) Payments to local Governments on account of re-allocation of leave and pensionary charges of officers lent by them to the Government of India and re-classification of certain other charges (port quarantine charges, etc.) as central 11

Most of this merely represents the discharge of a liability already accepted. The potential liabilities under this head are now practically exhausted.

(*b*) Special non-recurring items. These account for a total of 17 lakhs and are made up as follows :—

(1) Provision for the annual Research Grant to the Imperial Council of Agricultural Research not included in the original budget. This grant was suspended as part of the economy measures. As, however, a surplus is available on the 1932-33 budget, it was decided to recommend a special grant out of this surplus to the Imperial Council of Agricultural Research, which will increase their balance to a sum sufficient to provide for the completion of all the projects which they actually have in hand. A motion for a supplementary grant to cover this item will be moved in due course. The regular annual provision of this 5 lakhs still remains suspended 5

(2) Increased terminal charges on pensions including commutation payments. These charges in excess of our original estimates had, of course, to be met 12

(*c*) Items of special unforeseen expenditure. These amount only to the small sum of 11 lakhs. The following are the details :—

(1) Expenditure on staff and roads in connection with the Khirtar Canal colonisation scheme .. .. ½

(2) Expenditure on account of the special session of the Legislature in November 1¾

(3) Expenditure on account of the third Round Table Conference, the Ottawa Conference and the Capitation Tribunal 4½

(4) Expenditure on repairs necessitated by flood damages 3½

(5) Other minor items .. .. ¾

55. As the special items to which I have just referred amount to 68½ lakhs, and as the total accounts expenditure for 1932-33 shows, as I have explained, an increase of only 24 lakhs, it follows that under the other heads of real expenditure we shall have achieved during this year economies of 45 lakhs more than we promised. It may be remembered that in my budget speech in March last (paragraph 34) I stated that, broadly speaking, against a total retrenchment in expenditure of 499 lakhs recommended by the four civil sub-committees, Government had achieved economies of 433 lakhs, or nearly 87 per cent., before allowing for terminal charges which the committees did not take into account. The

results according to the revised estimate for the current year which I have just given show that the actual economies achieved in normal expenditure amount to 45 lakhs more than this, that is to say, to a total of 478 lakhs, or nearly 96 per cent. of the amount recommended by the retrenchment committees.

56. *Civil Expenditure*, 1933-34.—Turning to the estimates of expenditure under these civil heads for next year, I am glad to be able to report a still further improvement. As compared with the current year with its budget estimate of 20,65 lakhs and the revised estimate of 20,89 lakhs, the estimates for 1933-34 are 20,53 lakhs, that is to say, a reduction of 36 lakhs on the current year in spite of the following facts; first, that we have allowed for reducing the cut in pay to 5 per cent. thereby incurring extra charges of 28 lakhs on these particular civil heads, secondly, that we have to meet the normal increments in time scale pay which still involve an annual addition of something like 15 lakhs, and thirdly, that we have to meet new obligatory expenditure amounting to about 17 lakhs, the nature of which I shall shortly explain. If all these items are taken into account it will be seen that the total of the net reductions otherwise effected under the normal heads of expenditure amount to no less than 96 lakhs. Honourable Members may say that they are not concerned with this figure but only with the saving of 36 lakhs actually effected, but I have given these explanations in order to show how we are continuing the retrenchment effort and what a constant effort is required *merely to prevent expenditure from growing*.

57. I must now explain the nature of the items which go to make up the $16\frac{3}{4}$ lakhs of new unavoidable expenditure as shown in the accounts to which I have referred.

(1) Further increase in the share of Customs revenue payable to the Travancore and Cochin Darbars. This, as already explained, is not really expenditure but a transfer of revenue under the existing agreement	1
(2) Additional expenditure on income-tax staff in Bombay necessary in the interests of revenue	$\frac{3}{4}$
(3) Further expenditure on staff and roads in connection with the Khirtar Canal colonisation scheme	1
(4) Expenditure under Police on construction of police quarters and rearmament of police	1
(5) Increased charges under Political on account of re-equipment of police, maintenance charges of buildings, replacement of a motor-car, additional establishment for Gyantse Trade Agency and land compensation charges..	1
(6) Grant for Sugar Research	$1\frac{1}{2}$
(7) Additional expenditure under Aviation for works and staff	1
(8) Cost of compilation of inter-provincial trade statistics	2
(9) Cost of new civil works, viz., improving the roadway on the Jumna bridge and Sibi water-supply scheme	$4\frac{1}{2}$
(10) Lump provision for the Joint Select Committee	$1\frac{1}{2}$
(11) Other petty items (including about $\frac{1}{2}$ for meteorological facilities for Karachi-Madras air route)	$1\frac{1}{2}$

It will be seen from this list that most of these items are beneficial expenditure. The largest of them—which I specially wish to mention—is a provision of 2 lakhs for improvement

in our statistical records. This represents one step in a general plan for improving our economic intelligence organization which we are now preparing.

58. *Military Expenditure.*—When I turn to the provision for the Military or Defence Budget the results are equally, or even more, satisfactory. For the current year (1932-33) allowing for the full effects of the 10 per cent. cut in pay, the net budgetary allotment was 46.74 crores. For next year the net expenditure provided for in the estimates, after allowing for an extra charge of 52½ lakhs due to the reduction in the cut in pay to 5 per cent., is 46.20 crores. That is to say although the pay bill is increased by 52½ lakhs the net expenditure is to be reduced by 54 lakhs. The further economies made therefore in other directions amount to 106½ lakhs.

59. It is necessary of course to point out that the provision now made is cut very fine, and that to some extent the reduction in expenditure progressively effected over the last five years is due to the fall in prices of commodities which the Army has to buy. The difference between commodity prices as taken for the present estimates, and those prevailing in 1928-29, represent a saving on the whole budget of about 1 crore. If prices were to rise again, as in the general interests of the country one must hope they will, obviously under this head charges would increase.

I must also point out that this budgetary provision includes no margin for unforeseen expenditure, or for the continuance of the re-equipment programme which was laid down in 1928 and which is still being financed (to the limited extent which is possible) from reserves accumulated under the stabilised military budget system which was then inaugurated.

60. Nevertheless, while these facts must be borne in mind, I cannot but feel that the reduction in the net military budget from 55.10 crores (including the Territorial Force grant) in 1929-30 to 46.20 crores in 1933-34 is a very satisfactory achievement. There are some ungenerous critics who, when they see large savings effected in public expenditure, are inclined to say that that only indicates how extravagant was the original provision. I must indeed confess that I make it my business, as Finance Member, to be perpetually telling the spending departments something very much on these lines. But, in the case of the economies effected in the last two years by the officers of the Army from the highest downwards, I know that a great part of their work has been, not the elimination of unnecessary or wasteful expenditure, but the giving up of cherished schemes destined to increase the efficiency of the Army or the amenities for the troops. They have given them up without rancour because they recognized the greater urgency in the public interest of preserving financial equilibrium during these critical times, and they have for this reason been whole-hearted co-operators with the Finance Department in a task which I know has been most distasteful to them. The public interest can never properly be served without such co-operation. What I say of the Army is equally true of the other departments, and I hope that this Assembly will not deem it unfitting that I should take this occasion of expressing my gratitude to them for the part which they have played in our common effort to restrict public expenditure.

61. *Expenditure Position. Summary.*—The net result is that as regards the two main fields of administrative expenditure—the Civil heads, excluding expenditure on Commercial departments and Debt services, and the Defence budget—the budgetary provision for next year comes to a total of 66.73 crores as compared with a total of 67.63 crores for the current year. The total provision has thus decreased by 90 lakhs in spite of allowing for extra expenditure of about 80½ lakhs under both heads due to the reduction of the cut in pay to 5 per cent., and in spite of the normal and unavoidable growth of expenditure due to increases in the pension bill and to the increments accruing under the time-scale system on salaries, which involves an increased provision next year of about 20 lakhs.

I would before leaving this subject like to remind the House that the expenditure in these two fields which stands for 1933-34 at 66.73 crores amounted in 1929-30 to no less than 78.82 crores.

62. The explanations which I have now given show in what respects, our estimates for next year must differ from the revised estimates for the current year, although as I have explained, we have adopted as a foundation for next year's estimates the assumption that the general conditions of the current year will be repeated.

63. I may summarise the position as follows :—

	Rs. lakhs. Better.	Worse.
REVENUE—		
Customs.—(Reduction due to fall allowed for in imports of sugar and cotton piecegoods)		104
Income-tax.—(Increase due to removal of exemption from surcharge on Government servants)	53	..
Salt.—(Reduction mainly due to termination of temporary increase in receipts on termination of credit system)		163
Opium	25	..
Finance heads.—Net changes including additional expenditure of 1 on account of part restoration of cut in pay		15
Commercial departments.—Net revenue		11
Miscellaneous.—(Reduction of 30 due to no provision being included in next year's estimates for Gain by Exchange)		45
EXPENDITURE—		
Military.— *Civil heads.*— Net reduction effected in spite of part restoration of pay cut costing 79½ lakhs under these heads as compared with the revised estimates. (This net reduction together with the reduction of 5 under Irrigation and Currency and Mint taken on the revenue side gives a total reduction of 90 as mentioned in para. 61)	85	..
Total ..	163	338

64. As a result of the changes thus summarised the net deterioration for next year is estimated at 175 lakhs, and thus the surplus of 217 lakhs shown in the revised estimate for the current year will be reduced to a surplus of 42 lakhs.

The comparison between the two years may be thus summarised.

	Rs. crores. 1933-34. Budget.	1932-33. Budget.	Revised.
Revenue..	124.52	129.96	127.13
Expenditure	124.10	127.81	124.96
Balance ..	.42	2.15	2.17

65. *Budgetary Proposals*, 1933-34.—These figures are arrived at after allowing for the proposals as regards pay which were announced in the *communique* of February 3, and without them we should, on the basis of the retention of all existing taxes, have shown an estimated surplus of 97 lakhs. That then is the position which I have to put before the House, and I must now explain what we consider to be the right policy in this position.

66. *The Cut in Pay.*—In the first place I must say something about the proposal as regards pay which as I have just explained has been allowed for in our estimates.

Before explaining the details as regards its financial effects, I want to clear up one point about our procedure. We regard this proposal as being an essential part of the budgetary plan. Its justification must depend on the budgetary position and cannot be discussed without full knowledge of that. In these circumstances the normal course, and the course which we should have thought right, would have been to make the announcement as part of the budget speech, so that Honourable Members might simultaneously know the whole position and the whole plan for which Government sought their approval. Unfortunately that course was not practically possible, because on February 3, the budgetary proposals for the Railways had to be put before the Standing Finance Committee for Railways, and it was impossible to do this without revealing proposals about the pay cut for Railway officials. We could not put forward the Railway Budget on a hypothetical basis, nor could we feel it right in the special circumstances of the present case to treat the Railway staff on a basis different to other Government servants. For this reason we were forced to announce the whole plan which we proposed four weeks in advance of the budget speech.

67. The precise financial effect of the present proposals has already been indicated as regards particular departments in my earlier remarks, but I think it well to summarise the position.

For the Central Government civil services, including the Posts and Telegraphs Department, but excluding the Railways, a restoration of the full cut in pay for twelve months would cost about 1,22 lakhs.

For the Army, taking the officers affected by our cut, it would cost 1,14 lakhs.

As under the original plan the 10 per cent. cut was to apply to all pay earned up to March 31, 1933, and as salaries are always paid on the first day of the month following that in which they are earned so that March pay is debited to the accounts only on April 1, there will in any case be one month of the full cut included in the budgetary expenditure of the financial year 1933-34. Therefore any reduction in the cut for next year only affects eleven months' pay borne on the 1933-34 budget.

To reduce the cut in pay to one-half for eleven months means on the Civil side	55½ lakhs.
and on the Army side	52½ lakhs.
The total cost therefore is	108 lakhs.
As against this the Central budget will recover as a result of the withdrawal of the exemption of income-tax surcharges and the tax on incomes below Rs. 2,000 from Government officials—not only officials paid against the Central budget, but officials of the Railways and officials serving under the Provincial Governments—a net increase in income-tax receipts of	53 lakhs*.
The net cost of the proposal to the Central Government is thus ..	55 lakhs.

68. The considerations on which this proposal has been put forward by the Government of India are first, that it represents the maximum concession which the financial situation justifies, and secondly, that there are very strong reasons for going as far as the maximum which is justifiable. I do not propose now to go into all the arguments or to anticipate what may have to be said hereafter in the course of debate. I can explain Government's position in this matter very simply as follows.

**Note.*—The actual increase in income-tax paid directly by officials is 67 lakhs, but the net gain is only 53 lakhs. The explanation of this is that, for special reasons, the value of the exemption in the case of Railway officials was previously being paid to Government by the Railway administration. This amounts to 14 lakhs, and of course when the Railway officials themselves pay the tax, the Railway administration will cease to make this payment.

69. In the first place I must recall what I said when introducing the original proposals in September 1931. We hoped then that the emergency with which we were called upon to deal was a temporary one, or at least that the degree of intensity which made the imposition of these extreme measures necessary would have passed by March 31, 1933. The cut in pay was thus definitely intended to be merely a temporary measure justified only by an extreme and, as we hoped, temporary emergency. It was essential to make this purpose clear, and I therefore stated as one of the main conditions that the cut

> "should be of a temporary nature not extended beyond the need of the present exceptional emergency. Its justification is in the need for a common sacrifice in a national emergency."

Further, in summing up the position, I again said :—

> "It must be clearly explained that there is no intention that they should remain operative beyond March 31, 1933. They will not be continued beyond that date without further examination of economic conditions....."

We have acted exactly in accordance with the intention thus indicated. We have very carefully reviewed the economic conditions, and we have arrived at the definite conclusion that while we can take the risk of making some reduction, nevertheless an emergency continues sufficient to make it impossible to restore the whole of the cut.

That, then, is the first point which I must make, namely, that we regarded, and still regard, the cut as a temporary measure.

The second point is this, that we regarded a cut in the fixed pay of Government officers as an extreme measure only to be taken in the very last resort after the efforts of all other feasible measures for dealing with the situation had been exhausted. Obviously a measure which is thus only justified in the last resort ought to be the first to go when any relaxation is possible. On this point also I made our purpose perfectly clear in September 1931. I said, after expressing the hope that it would be possible in 1933 to relax the emergency measures,

> "It is perhaps forecasting events too much to say in what order these reductions should be made. But there are certain principles which we consider must be observed. Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on the income-tax now to be imposed."

Therefore on this point also we are acting in accordance with our declared purpose.

70. Now in dealing with this matter I have to make our position clear both to those who may think we have gone too far in the present proposal, and also to those who may think we have not gone far enough.

I will deal with the latter first. To them I would say that we have acted exactly in accordance with our declared purpose and that we have gone to the maximum extent that we considered justifiable. It must also be remembered that in deciding our policy we had to take into account not only the budgetary position of the Central Government, but also that of the Railways in which we are directly interested, and, further, that of the Provincial Governments who might be affected by our example and whose financial troubles react upon both the Central Government as their bankers, as also generally upon the financial position of India as a whole. Taking into account these wider implications we felt it to be absolutely clear that we could not go further at present towards the restoration of full pay than the half measure which we have proposed.

71. To those who may think that we have gone too far, or that we ought not to have taken this step in priority to relaxation of measures of taxation, I wish particularly to emphasise that this must not be regarded as optional expenditure to be weighed in the balance against other possible demands on the public funds. Government is not really

meeting its full obligations as long as it is not paying the fixed rates of pay of its officials—rates, moreover, which in certain cases are guaranteed by the Government of India Act. Government is therefore bound to regard the task before it as one of producing a balanced budget after including full pay to its servants. In fact there is only one criticism which we could regard as relevant and valid, and that is if it could be maintained that the proposed remission goes further than financial conditions warrant. In this connection I would remind them of one very important point which I have brought out earlier in my speech, namely, that in spite of the actual addition of Rs. 108 lakhs on the expenditure side which this proposal involves or excluding the Posts and Telegraphs Department 80½ lakhs, we are able to show a net reduction in the Civil and Military expenditure of Rs. 90 lakhs. This fact alone should answer many criticisms. Apart from that, as regards financial justification, the action now proposed must be judged by the results. What we hope is that conditions will so improve during the next year that it may be possible not merely to avoid retracing the step now taken, but to take the further step of restoring full pay and after that making a start in reducing the burdens of taxation. Beyond the expression of such a hope it would be rash to go.

72. I may add one final point for consideration by critics who may think this proposal unduly favourable to the Services, namely, the significance of our having in our proposals coupled a reduction of the cut with the removal of the income-tax exemptions. We felt it to be important to get rid as soon as possible of the position in which Government officials were treated as a special class as regards taxation, and subjected to special burdens in lieu of some of the burdens of taxation falling upon ordinary citizens. Honourable Members who criticised our original proposals were always very ready to calculate the exact value of these exemptions. I trust that they will be equally ready to recognise what the burden of their removal means. For officials on the highest rates of pay it means that they benefit very little from the present proposal; in fact, for officers earning Rs. 1,500 per month and over, the surcharges amount to from 2½ to nearly 4¾ per cent. The greater part of benefit is felt in the lower grades. The final result in any case is that Government officials are still subjected to a very special burden, for they have to suffer not only the heavy burden of ordinary taxation but are further penalised by a special deduction of 5 per cent. from their salaries.

73. There is one consequence of our proposals which must have struck all Honourable Members. So far as the net burden to the Central Government is, under these proposals, mitigated by the recovery of full income-tax surcharges from Government officials including those serving under the Provincial Governments, it may be argued on behalf of the latter that it is inequitable that we should thus for our own benefit convert a deduction which was formerly treated as a cut in pay into a deduction in the form of income-tax. We cannot admit that such a result would in any sense be improper, for it follows necessarily from the present constitutional position as regards taxation, and we would regard it as a very dangerous precedent to admit that the Central Government may have to give up the proceeds of taxes on the ground that they are borne by officers serving Provincial Governments. Nevertheless so long as an emergency justifying a cut in pay persists it must be admitted that the circumstances are exceptional, while, having regard to the sequence of events, it must be recognised that there is some ground for the feelings of Provincial Governments. We desire within the limits of our resources to take account of these special considerations, and if the financial results for the year prove that it is possible, we intend in due course to put before the Legislature proposals that, in the case of Provincial Governments that can satisfy us that they are in unavoidable deficit, special grants shall be made to them representing the amount collected during 1933-34 from the emergency income-tax increases now to be levied for the first time on the salaries of such of their officials as are still subjected to a cut in pay. Our estimates show that the total amount involved for all officers in the service of the Provincial Governments would be about 36 lakhs. If therefore our budget estimates are realised we shall be in a position to make these grants.

74. Having explained the considerations which guided us in making our proposals about the cut in pay, it will be fairly obvious to Honourable Members what our general policy in other matters must be. We have treated the restoration of the cut as our first

objective, and the tentative step of partial restoration which we have proposed represents the limit to which we think it safe in present circumstances to go. Otherwise the whole carefully balanced framework of the financial plan which we introduced in September 1931 must in our view remain undisturbed. The position is sound; the plan has worked and proved equal to the emergency; budgetary equilibrium has been restored. But the future is still dark with uncertainty. Some of us may feel hopes that an improvement is coming. But one cannot make budget estimates or frame financial policy on hopes. We are materially better off than we were in September 1931 in the sense that we have got the measure of our difficulties and proved that our structure is strong enough to stand up against the storm, at least as hitherto experienced; but there could be no more fatal folly than to weaken that structure before the storm is over, and thus jeopardise all the success which has been achieved.

75. We therefore think that the structure must, at least until things are clearer, remain unaltered, and I have accordingly no remissions of taxation to propose.

76. We have considered very carefully whether in any cases of customs duties a point of so-called diminishing returns has been reached, but I am quite satisfied that there is no class of ordinary imports in regard to which a reduction of the duty would so stimulate the demand as to produce an increase of revenue. I have little doubt that in the course of the budget debate questions of this kind will be raised, and I can defer a statement of the evidence in regard to any particular item until then. We have given special consideration to two very high import duties, those on silver and sugar. As to silver, it might perhaps be argued with greater force than in the case of any other article that a reduction in the duty might stimulate consumption, or at least that, as we are recovering so little duty now, we could afford to risk the experiment. If revenue were the only consideration there is doubtless a good deal in the argument. But we had to take other considerations also into account. The internal price, which affects many classes in India, depends on the rate of the import duty, and any lowering of that would have had a disturbing effect. On the whole we thought it to be in the public interest not to introduce disturbing factors of that kind just now.

In the case of sugar it is essential to remember that the present rate of duty is substantially higher than the maximum protective duty recommended by the Tariff Board. It is conceivable that a lowering of the duty might in this case stimulate imports of foreign sugar. But just at this moment many new factories are being started and for that reason one must hesitate to make any sudden change. On the other hand it would be highly imprudent for those who are investing money in the sugar business to forget that present conditions are more favourable than those on which, according to the recommendations of the Tariff Board, they have any right permanently to rely. For this reason a due proportion of the profits that are earned on the present basis ought to be accumulated as reserves, for no right can become established to a continuance of the present position.

77. As regards Taxes on Income, we deplore as much as anybody the necessity for a continuance of the present rates, but all that we can promise, and this we do most sincerely, is that they will not be continued longer than is necessary and that all our efforts will be directed to keeping down expenditure, and to preparing in other ways for a lightening of this particular burden.

78. While our general plan is, as I have explained, to stand on our present position without weakening any part of it, there are three proposals of minor importance which are included in the Finance Bill and which I must now explain.

79. The first two are changes in the import duties on boots and shoes and artificial silk goods which can be described as revenue measures with a protective significance. Their justification really depends on the combination of these two qualities.

80. Special taxes, going beyond the ordinary 25 per cent. surcharge, viz., a specific minimum duty on boots and shoes and enhanced rates of duty on artificial silk manufactures, were imposed on these two classes of articles in the Emergency Act of 1931, and these have

proved excellent revenue producers. We estimate the yield from the duty on boots and shoes during the current year at Rs. 27 lakhs, while the year's yield from artificial silk manufactures may be roughly estimated at nearly 1½ crores. In the revenue estimates for 1933-34 I have assumed that these two taxes will bring in as much revenue next year as in the current year, but it would not be safe to reckon on such a result if the duties were left unchanged. I will explain the reason for this.

81. First, in the case of boots and shoes, establishments have been set up in India for the production of shoes made from imported canvas uppers and imported rubber soling sheets. Both of these constituents pay duty at no more than the standard revenue rate, and the result is that by this very simple process of merely assembling in India what are really foreign manufactures the amount of duty paid by importers is very greatly reduced. The Bill proposes, therefore, to apply to uppers for boots and shoes a minimum specific duty at half the rate applicable to complete boots and shoes. This will do much to safeguard the revenue, while it will at the same time leave some slight margin of advantage to the local assembly plant as compared with the importer of the complete article. Leather uppers, which in any case could not be cheap enough to fall within the scope of the minimum specific duty, are excluded for the technical reason that the *ad valorem* duty to which they are liable is, owing to the operation of the Ottawa Trade Agreement, different from that applicable to other uppers.

82. I now come to the second group of proposals which relate to artificial silk goods and to mixtures in which either silk or artificial silk may be included. The existing rate for mixtures is, owing to the operation of surcharges, 34⅜ths per cent. This item was introduced as providing an intermediate rate between that applicable to silk and that applicable to the other textile ingredient, whatever it may be, with which the silk is mixed. With the raising of the duty on non-British cotton piecegoods to 50 per cent. by the notification of last August, a new situation has been created, for manufacturers of such goods can escape this special duty by introducing at a trifling expense a very small quantity of silk or artificial silk into the warp or weft of cotton goods, and thus secure assessment at the lower rate of 34⅜ths per cent. applicable to mixtures—a result which would not only involve loss of revenue but would impair the operation of the protective policy of the Government. We have rejected a proposal that the mixed rate should be raised to 50 per cent., since that would be unfair to all the remaining classes of silk or artificial mixtures where the duty is still an intermediate one, and have resorted instead to the device of a minimum specific duty.

83. While a change in the duty on mixtures has been necessary for these reasons, it has also appeared desirable to us to guard against any falling off from the very satisfactory revenue that we have been receiving from the higher *ad valorem* duties on pure artificial silk goods, the imports of which are 99 per cent. Japanese. Such losses might occur either through a further fall in prices of Japanese goods, or through a decline in the volume of imports. We are also not able to leave out of consideration the possibility that to some extent competition of these goods, no less than of mixtures, when imported at very cheap rates, may impair the effectiveness of the special protective duties on cotton piecegoods. Here again merely to raise the *ad valorem* rate would not only be a dangerous device from the revenue point of view, but would also be unfair to the manufacturers of the more expensive article in countries other than Japan; and for both these reasons we have in this case also resorted to the device of a minimum specific duty.

84. The duties which we propose in both these cases have been carefully worked out in the light of the objectives to be attained, and they are 4 annas per square yard for pure goods and 2 annas 3 pies for mixtures.

(I may here note that in the case of both these proposals no distinction is made between silk and artificial silk. I have already explained why this must be so in the case of mixtures. In the case of pure goods, although the arguments in favour of imposing the specific duty for pure artificial silk goods do not apply to pure silk goods, nevertheless in practice it is highly unlikely that the duty which we have proposed will ever come into operation with silk goods; while it is desirable on administrative grounds to maintain the

duty on silk goods and artificial silk goods at the same level. We are therefore nominally extending the minimum to silk goods also. We do not think that these specific duties should be applied to fents, which, as in the case of cotton fents, will remain liable to the ordinary *ad valorem* duty.)

The value per square yard of the classes of piecegoods concerned can only be estimated, since the trade is recorded in linear yards, but on the best estimate that can be made we calculate that with present prices the *ad valorem* incidence of the proposed duties will, in the case of pure artificial silk goods, be 100 per cent. on the Japanese and from 26 to 32 per cent. on others; while on silk and artificial silk mixtures the average incidence will be 47 per cent. on Japanese goods and from 32 to 36 per cent. on others. In regard to mixtures I would remind the House that we are here mainly concerned with a possible abuse of the mixture definition so as to pass off what should really be called cotton goods as mixtures, in which case the *ad valorem* incidence of the specific duty would be very much higher.

Finally, I may say that we are making one more slight change and taking this opportunity to round off to 35 per cent. the present duty on mixtures, which, owing to the operation of the two surcharges, has reached the uncomfortable figure of 34⅜ths per cent.

85. The last of the three small changes which, as I have explained, we are proposing in the Finance Bill is designed to benefit not the Central but Provincial revenues. The House will remember that the stamp duty on cheques was abolished with effect from the 1st July 1927 on the recommendation of the Currency Commission of 1926. It was hoped that the abolition of the duty in India would lead to a wide adoption of cheques as a means of payment and thereby to a desirable encouragement of the banking habit. The actual results, however, have not been encouraging, and from enquiries made the Government of India believe that the remission of the duty has not had much effect. The report of the Indian Central Banking Enquiry Committee tends to confirm this belief, as it found that the most serious obstacle to the growth of the cheque habit in the country was the illiteracy of the people. We therefore felt that we had no strong grounds on which to resist the demand which has been pressed upon us by various Provincial Governments that the stamp duty should be reimposed in order to help their revenue, and we have accordingly somewhat reluctantly agreed to propose a reimposition of the duty for a limited period of three years. In order to allow due notice to banks and the public the change will, according to our proposal, only come into effect on the 1st July 1933. A provision for this purpose is included in the Finance Bill. The legislation must be central but the proceeds will be divided among the Provinces. We estimate that the proceeds in a full year will be about seven lakhs of which the greater share will go to Bombay and Bengal.

86. *Ways and Means.*—I must now turn to a review of the Ways and Means position for the current year and the next.

The outstanding features of the year have been the sensational improvement in our credit both in England and locally, which enabled us to fund a much larger amount of our loan commitments than appeared possible when I made my budget speech last year, and the strengthening in our currency reserves which has been possible as a result of the improvement both in our credit and in sterling exchange.

87. I will deal first with the latter. In my budget speech for 1932-33 I showed that one of the first sequels to the currency policy adopted in September 1931 was a large demand for currency in India. This currency had to be supplied, and though we were able to effect large purchases of sterling we decided that in the first instance the additional currency should be provided by the creation of *ad hoc* treasury bills, and that the sterling should be used for other purposes, such as the liquidation of our immediate loan liabilities in London. In this way we effected a net expansion of 35 crores against treasury bills. At the same time, I indicated that if in the current year we obtained more sterling than was necessary for supplying the requirements of our Home Treasury and the repayment of sterling loans falling due, the surplus would be used to strengthen our sterling currency reserves. This

policy has been carried out and sterling securities have been substituted on a large scale for Treasury bills, the net reduction of the latter so effected during the year amounting to 14,39 lakhs.

I have already dealt with this question in my broader survey of the position as regards gold exports.

88. *Loans.*—In my last budget speech I anticipated that it would be possible to reduce the amount of treasury bills held by the public by about 7½ crores from the current resources, and that we should not have to raise any loans during the year except to meet our maturing liabilities. I indicated, however, that if conditions were favourable we should take the opportunity by loan issues to strengthen our position and in particular to fund as much as possible of our floating debt. The continuous rapid improvement in our credit enabled us to float no less than one sterling and four rupee loans at rates which improved from over 5¾ per cent. to something below 4¼ per cent. The results of the latest conversion loan operation are not yet fully known, and when the estimates had to be completed early in February we could only work on guesses as to how much would be converted. For the purpose of the printed estimates we have assumed that Rs. 22 crores would be converted, and I have had to work out all my figures on this cautious assumption, though this amount had actually already been reached by February 21st. If I assume a higher figure, say, 30 crores, the position is that against an originally estimated discharge of permanent debt of 26½ crores during the year we shall be able to discharge nearly 78 crores, and in addition to reduce the treasury bills outstanding with the public by 19,53 lakhs as compared with our original estimate of 7,51. When the discharge of *ad hoc* treasury bills, to which I have already referred, and the repayment of Ways and Means advances are included, this means that during the current year we shall have been able to fund immediate liabilities to the huge amount of 121 crores, as compared with a budget estimate of 34. The bulk of this has been converted into regular loans for which the obligatory maturities range from 8 years in the case of the first loan issued last year, to 37 years in the case of our latest conversion scheme. The details of these loans are as follows :—

	Revised, 1932-33.	
India.	Rs. lakhs.	
4 per cent. 1943	14,67	
4 per cent. 1960-70	30,00	
5 per cent. 1940-43	24,68	
5½ per cent. 1938-40	18,76	
	———	88,11
England.		
5 per cent. Stock 1942-47		12,67
		———
Total ..		100,78
		———

89. Our general programme has also been helped by exceptionally large receipts from post office cash certificates and savings bank deposits. Though the cheapening of money rates has enabled us to reduce the yield on the former from 6 per cent. to 4½ by two stages, the latter becoming operative on January 1, on which date most banks in India also reduced their rate of interest on deposits, no less than 14,35 lakhs was obtained from these two sources, as compared with the budget estimate of 7 crores, and an average of less than 5½ crores for the 5 years from 1926 to 1931. I want to direct particular attention to this result on which I have already commented in my general review of the economic position.

90. *Capital Expenditure—Railways.*—The Railway capital outlay in the current year is now estimated to be 81 lakhs as compared with 4,15 lakhs estimated in the budget—this reduction meaning an improvement of 3,34 lakhs in our Ways and Means position. As against this, the results of normal operations have made somewhat heavier demands on our Ways and Means position than was anticipated. The gross receipts continued to be disappointing, though the fall was largely offset by increased savings in working expenses.

The net result is that a loan of 934 lakhs had to be taken from the depreciation fund as compared with the estimate of 759 in the budget. In this connection, however, I must point out that the accretion to the depreciation fund during the year was 815 lakhs so that the effect of this loan is to reduce the fund by only 119 lakhs, from 14,86 to 13,67.

91. *Provincial drawings.*—The provincial drawings have been much less than was anticipated when framing the budget, amounting to 564 lakhs as compared with 10,62, this being the effect of the policy of the drastic restriction of advances from the provincial loans fund to capital works already in hand, and the curtailment of these as far as possible. Unfortunately, though the position of some Provinces was better than anticipated, others, particularly Bengal, have had again to face heavy deficits.

92. *Revenue surplus.*—It is estimated that the revenue surplus will be 217 lakhs as compared with the 215 lakhs originally budgetted for.

Next Year 1933-34.

93. *Capital Expenditure.*—I shall have something to say in my concluding remarks as regards our general policy of Capital expenditure and the possibility of expansion in the future. But whatever change in the direction of a more expansive programme we may hereafter feel justified in considering, it is not likely to have appreciable effects as regards expenditure in the coming year. For the purpose of the estimates we are including provision for Capital expenditure of 330 lakhs on the Railways and 424 lakhs for loans to the Provincial Governments.

94. *Borrowing programme, 1933-34.*—With this reduced capital programme I estimate that it will be possible to effect a further reduction of 8 crores in our outstanding treasury bills and still have approximately 17 crores available to meet our maturing loan liabilities apart from what we may obtain from fresh borrowing. This is clearly a very strong position. In making this estimate I have allowed for the possibility of drawing to the extent of about 11 crores on our sterling balance with the Secretary of State. Owing to the very large figure at which this balance now stands, such a reduction would be quite legitimate. Apart from this I have allowed only for receipts to the amount of 840 lakhs from savings bank and cash certificate receipts. This is of course very substantially less than the estimated figure of 14,35 lakhs in the current year. I have allowed for this decrease because of the reduction in the rate of interest to 4½ per cent., but this form of investment has now so thoroughly popularised itself throughout India that it is not at all improbable that our budget estimate will be materially exceeded.

95. Against these resources of 17 crores our maturing loan liabilities are of very modest dimensions. We have the option of repaying the £7 millions 6 per cent. sterling 1933-35 bonds, and we shall have to deal with any portion of the rupee loans of 1929-47, 1933 and 1933-36 which is not converted. On the assumption that 30 crores of the latter are converted, we shall only require to raise a loan of 4 crores in India, and on the assumption that we repay the £7 million sterling loan, we should require to raise only £6 million equivalent to 8 crores in London. These figures, however, cannot be regarded as more than tokens. If conditions are favourable in London we might issue a larger loan and use the proceeds for strengthening our sterling currency reserves, or to repay £10 million 6 per cent. 1933-34 Bonds which we have the option of repaying on the 15th December. If the conversions on our present scheme are larger than 30 crores, the loan liabilities in India will be so much less, and we may proceed further with the funding of treasury bills.

One important point to note is that according to these estimates, and without any further loans, the treasury bills outstanding with the public will, on our present estimates, be reduced to the comfortable figure of 28 crores by March 31, 1933, a very satisfactory reduction from the 84¼ crores outstanding at the end of August 1931.

96. *Home charges.*—Exchange was very steady throughout the year, and large purchases of sterling were made from the middle of August. The estimated purchases for the year are approximately thirty-nine million pounds. In addition, £715,000 was taken

over from the Calcutta Port Trust, being the balance of a sterling loan floated by them. Our requirements for the year were £24 millions so that the balance of approximately £15½ millions was available for strengthening our currency reserves, which I indicated in my last budget speech as the most appropriate use to which they could be put. I estimate that our closing balance in London this year will be £13,400,000, as compared with £15,900,000 last year. This is still a large figure, but I consider it advisable to adhere to it, as an alternative source from which we can meet our sterling loan maturities should this prove preferable to sterling borrowing. On the assumption that we float a sterling loan of six millions, this means that the sterling which we will have to purchase in 1933-34 will be £21 million, and if further remittances are obtained, it will probably prove best to devote them, as in this year, to the further strengthening of our sterling reserves.

97. The position which I have thus explained may be summarised as follows ; but I must repeat that this summary is compiled on the assumption that only 22 crores will have been taken up under the February conversion scheme. If the results are different from this the figures as regards rupee loans, both for the current year and next year will be substantially altered.

Liabilities.

	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
Railway Capital outlay	4.15	.81	3.30
Other Capital outlay	1.50	1.52	1.23
Provincial drawings	10.62	5.64	4.37
Discharge of permanent debt	26.56	69.48	37.10
Discharge of treasury bills—			
(*a*) with the public	7.51	19.53	8.00
(*b*) in the Paper Currency Reserve	..	14.39	..
Repayment of Ways and Means advances	..	9.50	..
Loans and advances by Central Government	.26	.76	.72
Other transactions	.06	1.53	—2.53
	50.66	123.16	52.19

Resources.

Revenue surplus	2.15	2.17	.42
Rupee loans (net)	14.50	80.11	12.00
Sterling loans (net)	8.00	12.67	8.00
Post Office cash certificates and savings bank	7.00	14.35	8.40
Other unfunded debt	4.71	3.67	4.96
Appropriation for reduction or avoidance of debt	6.82	6.84	6.88
Depreciation and Reserve Funds	.52	—.91	—.20
Reduction of cash balances	6.96	4.96	11.73
	50.66	123.16	52.19

98. I have endeavoured to give the House a fair appreciation of our present position. I fear that I have taken a great time, but even so it has only been possible to touch superficially on many important points. In the field of finance the outstanding features of the year under review are, first, the re-establishment of budgetary equilibrium, secondly, the great improvement in Government credit which has completely transformed the market for Government securities, thirdly, the creation of cheap money conditions.

99. I want to say a few final words on the last two points which are closely connected. If we turn our memories back eighteen months ago to that day in September 1931 when I had to introduce the emergency financial plan, the transformation is indeed marvellous. At that time 3½ per cent. paper in India stood at 53; now it stands at about 82; Indian 3½ per cent. sterling securities stood at 46; now they stand at about 89. The 1960-70 4 per cent. loan of which we hope to place about 30 crores on our present conversion plan and which stands at about 94 then stood at 62, and at that time the idea of placing a long-term loan on any terms would have been utterly impossible. Eighteen months ago the bank rate stood at 8 per cent., to-day it stands at 3½ per cent. and I would remind the House that at least as far back as I have been able to trace, that is for 29 years back to 1904, the bank rate at this time of the year has never stood below 6 per cent.

Eighteen months ago we had a floating debt of Rs. 84 crores; to-day it is reduced to 35 crores. Now in all this we have obviously been helped by world conditions, and of course cheap money is to some extent a sign of low industrial and commercial activity. But making every allowance for these factors, the transformation in our position would have been quite impossible unless our own budgetary policy had been sound.

100. The maintenance both of Government credit and of cheap money conditions is dependent on the maintenance of a sound budgetary position, for if Government were to start meeting its current needs with borrowed money, we might not only become unable to borrow that money at cheap rates, but it might also be necessary to raise the bank rate in order to protect the currency position.

101. I wish, moreover, to emphasise how vitally important it is in the interests of commerce and industry to maintain both these conditions of high credit and cheap money. Indeed, the one hope amid the present depression is that the power to raise long term loans at low rates of interest will provide a stimulus for the revival of capital expenditure; and that is the only sound way by which an exit can be found from the present depression. I know that many people hold that the present high rates of taxation, particularly of income-tax, are crushing industrial enterprise; but I would put it to them that nothing is more likely to damage business than a premature relaxation of our present measures leading to difficulties and unsoundness in public finance. For this again would lead not only to a loss of Government credit and a rise in the general rates of interest, but would almost certainly make it necessary in the long run to reimpose taxation at higher rates in order to recover the lost ground. If, on the other hand, the Government keeps its position strong, and if, as a result of the confidence thus created, the public become ready to invest in long term securities at low rates of interest, that offers hope of an industrial revival which will soon make it possible to reduce taxation. There is no other sound remedy for the present disease.

102. Let me say also a few words as to Government's own policy in these matters. We believe that the time is coming when our own position will be so strong that we can safely contemplate relaxing the restriction on capital expenditure which we have had to impose during the last few years. With the success of our conversion schemes we are gradually approaching a period when we shall be entirely relieved of the embarrassment of having to meet heavy loan maturities each year. Once that stage is attained we shall require to raise only a very small amount of money from the public each year in order to support quite a substantial programme of capital expenditure.

103. But there are certain conditions which will very definitely govern our action.

In the first place we must adhere to the policy of not regarding any schemes as suitable objects for capital expenditure which are not economically sound and productive. In the second place we do not intend to launch out into any programme on a scale which is likely to depress the market for Government securities by putting us in the position of having to ask the investing public to subscribe more money than it has readily available for investment. We are approaching a period when there is more money for investment in Government loans than we require to raise. That is a very healthy change of conditions from those of the past few years and we do not intend to disturb these new conditions.

104. As regards the outlets for capital expenditure, these again must be carefully chosen. Contrary to the general public impression, it does not appear that there are any very urgently needed railway extensions or railway works, for in spite of the restrictions of the past few years, the railways have kept fairly well abreast of current needs. Railways, moreover, must no longer be treated in isolation ; they must be regarded merely as one part of a general system of transportation and communications, of which roads also are a most important feature. At the Conference on Road and Railway policy which is to be held at Simla on April 24, as announced by His Excellency the Governor-General when he addressed the Assembly at the opening of this session, we shall consider the whole problem of financing road development. Whether any immediate opening for sound capital expenditure can be found in connection with roads I cannot yet say. All that I can say is that the time has come when we think it right to give these matters our active consideration.

105. In the matter of our future policy as regards conversion schemes and funding operations, I cannot of course announce any precise plans. We have proceeded so far step by step, and at each step we have raised the level of securities and given to the investors concerned an opportunity to convert their holdings in a manner which has left them a good margin of profit. I have every reason to anticipate that this process will continue, for I believe that, subject always to the maintenance of sound Government finance, we have before us a long period of cheap money and the possibility of seeing securities reach a substantially higher level. In this policy we are looking not merely to the immediate, but also to the more distant future. We feel that with the new constitution approaching we have a special duty to prepare the way, so that the first years of the new Government may be freed from embarrassment. In particular, we desire to consolidate the position so as to make it possible to start a Reserve Bank on sound foundations.

106. And that brings me to the last thing which I have to say. I fully realise that the budgetary plan which I have just announced is not of a nature to stir enthusiasm. It involves a continuance of the grim effort which has been sustained during the past eighteen months. But if Honourable Members look round the world, they will, during the next few weeks, see the Finance Ministers in every country which believes in sound finance introducing budgets very much of this kind. If they dislike the continuance of this effort, I am sure they will appreciate that I dislike it equally, and that it must be a very great disappointment for me, on this occasion of the last budget of my five-year term, not to be able to take for the first time the pleasant path of relaxing burdens of taxation. But I have felt it necessary to take the harder path ; and I have at least this consolation. When I first took office, though the rest of the world was still booming, it became apparent to me very early that India was faced with special difficulties, and was destined for a period both of constitutional uncertainty, and of borrowing to meet past commitments, which would inevitably reduce her credit. But to-day we have recovered from all that and I think we may feel that India, amidst a world which is floundering in the gravest trouble and distress, has reached a position in regard to her public finance which challenges comparison with that of any other country. That we have been aided both by special fortune and by the strong reserve resources of the Indian people in attaining this position, I should be the first to admit. But that, while it does not diminish the value of the position, only strengthens the obligation which rests upon us to make the utmost efforts to maintain it. I would appeal to the House to support us both in those efforts and in the fulfilment of what is now our guiding purpose—the purpose of leaving to the new Government of India a house well stored and buttressed against all the storms which it may encounter.

The 28th February 1933. GEORGE SCHUSTER.

Report for the year 1932.

Section V.

DOCUMENTS AND STATISTICS.

LIST OF CONTENTS.

No. of Table.	Name of Table.	Page No.
1.	Spindles set up in India, U.S.A., Great Britain, Germany, China and Japan..	467
2.	Looms „ „ „ „ „ „ „ „ „ ..	468
3.	Progress of Cotton Mill Industry of India	469
4.	World's cotton crops, 1912-13 to 1931-32	470
5.	Production and consumption of raw cotton in India	471
6.	Statement showing the stocks of raw cotton held by Indian mills on 1st August 1932 and 1st February 1933	471
7.	Statement showing the cotton arrivals in Bombay during the season 1931-32 compared with nine previous seasons	472
8.	Statement showing the weekly prices of cotton in Bombay	473
9.	Statement showing the stocks of yarn and cloth held by Bombay mills ..	474
10.	Current quotations for Bombay mill-made piecegoods and yarn	475-477
11.	Exchange fluctuations and the price of silver	478
12.	Statement showing the quantity of yarn spun in India during the last 20 years..	479
13.	Statement showing the quantity of yarn spun in Bombay City and Island during the last 20 years	480
14.	Statement showing the quantity of cloth produced in Indian mills during the last 20 years	481
15.	Statement showing the quantity of cloth produced in Bombay City and Island mills during the last 20 years	482
16.	Statement showing the imports of cotton yarn into India during the last 20 years	483
17.	Statement showing the imports of cotton yarn into Bombay during the last 20 years	484
18.	Statement showing the imports of piecegoods into India during the last 20 years	485
19.	Statement showing the imports of piecegoods into Bombay during the last 20 years	486
20.	Summary of imports of cotton yarn into India in 1932 compared with two previous years	487
21.	Detailed statement of imports of cotton yarn into India in 1932 compared with two previous years	488
22.	Summary of imports of cotton yarn into Bombay in 1932 compared with two previous years	489
23.	Detailed statement of imports of cotton yarn into Bombay in 1932 compared with two previous years	490
24.	Detailed statement of exports from India of Indian-made yarn by sea ..	491
25.	Detailed statement of exports from Bombay of Indian-made yarn by sea ..	492
26.	Summary of imports of cotton piecegoods into British India in 1932 compared with two previous years	493

No. of Table.	Name of Table.	Page No.
27.	Detailed statement of imports of cotton piecegoods into British India in 1932 compared with two previous years	494-495
28.	Detailed statement of imports of cotton piecegoods into Bombay in 1932 compared with two previous years	496-497
29.	Summary of imports of cotton piecegoods into Bombay in 1932 compared with two previous years	498
30.	Detailed statement of exports of Indian-made piecegoods by sea from British India	499
31.	Detailed statement of exports of Indian-made piecegoods by sea from Bombay	500
32.	Statement showing the re-exports of foreign-manufactured piecegoods and yarn from British India	501
33.	Statement showing the re-exports of foreign manufactured piecegoods and yarn from Bombay	501
34.	Statement showing the approximate yardage of piecegoods available for consumption in India	502
35.	Statement showing the approximate poundage of yarn available for consumption in India	502
36.	Statement showing the progress of Japan cotton mills during the last 16 years	503
37.	Statement showing Japan's cotton consumption during the last 27 years	504
38.	Statement showing Japan's cotton yarn production and exports during the last 28 years	505
39.	Statement showing Japan's cloth production during the last 28 years ..	506
40.	Statement showing the imports of cotton piecegoods and yarn from United Kingdom into the chief Presidency ports of India	507

STATISTICS.

As was stated in the preliminary portion of the report for 1926, the tables printed in the following pages show considerable variations from those published prior to 1926. The tables now given represent an attempt to give in an easily comprehensible form essential information of a statistical nature regarding the textile trade of India as a whole. In addition, information will also be found in certain tables concerning the textile trade of Bombay City and Island which is the largest individual centre of the cotton trade in India.

A number of interesting tables are also included concerning the textile trade of Japan, India's keenest competitor in the home and export markets.

Most of the tables are self-explanatory and no notes regarding their interpretation are necessary. The following notes are only intended to assist in arriving at correct conclusions regarding the progress of the Indian textile trade during the last few years.

Table 3.—Progress of Cotton Mill Industry in India. The falling off in the production of yarn and cloth in the years ending 31st of March 1926 and 1929 is chiefly accounted for by the strikes referred to in the footnote to the table.

Table 7.—Statement showing the cotton arrivals into Bombay during the season 1931-32 as compared with 9 previous seasons.

Tables 16 *and* 17.—Statements showing the imports of cotton yarn into India and Bombay during the last 20 years. Notable features of the tables are the larger imports of artificial silk and mercerized yarn during the last few years.

Tables 18 *and* 19.—Statements showing the imports of cotton piecegoods into India and Bombay during the last 20 years.

Table 20.—Summary of imports of cotton yarn into India in 1932 as compared with two previous years. This table shows the shares of the import trade in yarn held by the chief importing countries.

Table 21.—Detailed statement of imports of cotton yarn into India in 1932 as compared with two previous years. This table shows in detail the counts and types of yarn imported into India from the various countries.

Tables 22 *and* 23.—Summary and Details of imports of cotton yarn into Bombay in 1932 as compared with two previous years. These tables give information similar to that contained in Tables 20 and 21, but for the Port of Bombay.

Table 26.—Summary of imports of cotton piecegoods into India in 1932 as compared with two previous years. This table gives at a glance the quantities of the main classifications of piecegoods imported into India from the chief importing countries. Table 27 gives the information contained in Table 26 in very much greater detail.

Tables 28 *and* 29.—Details and Summary of imports of cotton piecegoods into Bombay in 1932 as compared with two previous years. These tables contain information similar to that contained in Tables 27 and 26 respectively but for the Port of Bombay.

Table 30.—Detailed statement of exports of Indian-made piecegoods from India. When perusing this table the footnote explaining the exact areas covered by the territories mentioned should be carefully studied. The preponderance of coloured goods in the total piecegoods export trade is very striking.

Table 31 contains information similar to that given in Table 30 but for the Port of Bombay.

Tables 32 *and* 33.—Statements showing the re-exports of piecegoods and yarn from India and Bombay respectively. The figures show that the bulk of the re-exports of cotton piecegoods pass through Bombay.

Tables 34 *and* 35.—Statements showing the quantities of cloth and yarn available for consumption in India. These tables are among the most interesting and instructive statistics ever published concerning the extent of the Indian market for yarn and piecegoods. The figures showing the balance of yarn available for consumption in India to some extent give an indication as to the importance of the handloom weaving industry of India.

Tables 36 *to* 39 (both inclusive) contain information extracted from the publications issued by the Japan Cotton Spinners' Association and indicate very clearly the phenomenal progress made by the Japanese Cotton Textile Industry during the last decade.

Table 40 is extracted from the statistics published by the British Board of Trade and indicates the relative importance of the three chief Presidency Ports of India in the yarn and piecegoods import trade. It should be noted that the figures for the Port of Bombay as given in this table are not strictly comparable with the Government of India statistics for that port on which all other tables relating to Bombay in this section are based.

TABLE NO. 1.

SPINDLES AND LOOMS SET UP IN INDIA, THE UNITED STATES OF AMERICA, GREAT BRITAIN, GERMANY, CHINA AND JAPAN.

The following figures have been obtained from various sources and may be taken as being approximately correct. In order, however, to make the record as complete as possible, the Committee of the Association will be obliged, if members and others who have any additional particulars available will kindly forward them to the Secretary for inclusion in any future statements that may be published :—

SPINDLES.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1880	1,461,590	10,653,435	....	....	....	....
1881	1,513,096	....	....	....	....	....
1882	1,620,814	....	....	....	30,000	....
1883	1,790,388	....	....	....	....	....
1884	2,001,667	....	43,000,000	....	....	....
1885	2,145,646	....	43,000,000	....	....	....
1886	2,261,561	....	42,700,000	....	....	....
1887	2,421,290	....	42,740,000	....	....	....
1888	2,488,851	....	43,000,000	....	....	....
1889	2,762,518	....	43,500,000	....	....	....
1890	3,274,196	14,384,180	43,750,000	....	....	....
1891	3,351,694	14,640,000	44,750,000	....	....	....
1892	3,402,232	15,200,000	45,270,000	....	385,314	....
1893	3,575,917	15,700,000	45,270,000	....	381,781	....
1894	3,649,736	16,100,000	45,190,000	....	530,074	....
1895	3,809,929	16,650,000	45,400,000	6,571,332	580,945	....
1896	3,932,946	17,333,396	44,900,000	....	692,384	....
1897	4,065,618	18,228,991	44,500,000	....	768,328	....
1898	4,259,720	18,434,244	44,900,000	7,115,500	1,027,817	....
1899	4,728,333	19,329,092	45,600,000	....	1,170,337	....
1900	4,945,783	19,472,232	45,600,000	8,031,400	1,274,000	550,000
1901	5,006,936	20,196,835	46,100,000	8,434,601	1,234,976	....
1902	5,006,965	20,907,212	49,727,107	....	1,230,697	....
1903	5,043,297	21,212,827	49,700,000	....	1,381,306	....
1904	5,118,121	22,197,522	49,500,000	....	1,345,585	....
1905	5,163,486	22,861,043	50,964,874	8,832,016	1,426,594	....
1906	5,279,595	24,628,379	52,796,230	9,121,259	1,472,253	....
1907	5,333,275	25,681,509	52,585,362	9,730,209	1,540,452	750,000
1908	5,756,020	26,133,442	55,218,024	9,850,209	1,795,879	....
1909	6,053,231	27,914,085	57,026,422	10,162,872	1,954,892	....
1910	6,195,671	28,299,482	57,731,829	10,200,000	2,099,764	....
1911	6,357,460	29,064,492	58,002,435	10,480,090	2,170,796	831,000
1912	6,463,929	29,962,713	58,140,220	10,725,732	2,176,748	833,112
1913	6,596,862	30,579,000	58,481,000	10,920,426	2,414,499	947,406
1914	6,778,895	32,227,840	59,317,187	10,162,872	2,657,174	1,000,000
1915	6,848,744	32,400,792	59,905,000	10,163,000	2,807,514	....
1916	6,839,877	32,653,164	59,811,222	....	2,875,904	1,029,218
1917	6,738,697	33,535,000	60,973,000	....	3,060,478	1,126,568
1918	6,653,871	34,219,156	57,685,841	....	3,227,678	....
1919	6,689,680	34,648,928	59,182,683	....	3,488,262	1,416,556
1920	6,763,076	34,946,721	60,079,394	8,262,872	3,813,680	1,585,300
1921	6,870,804	35,632,193	60,053,246	8,693,221	4,161,126	1,650,000
1922	7,331,219	36,584,487	58,712,303	9,400,000	4,517,612	1,888,348
1923	7,927,938	37,397,000	59,819,000	9,605,000	4,197,966	3,581,214
1924	8,313,273	37,924,000	59,511,000	10,060,000	4,870,232	3,569,440
1925	8,510,683	37,833,000	59,903,000	10,060,000	5,292,040	3,414,062
1926	8,714,168	37,650,000	60,285,000	10,300,000	5,586,027	3,461,152
1927	8,702,760	37,483,000	60,466,000	10,900,000	5,679,852	3,588,483
1928	8,704,172	36,824,000	60,042,000	11,020,000	6,116,266	3,688,483
1929	8,907,064	36,216,000	59,134,000	11,155,000	6,467,174	3,638,098
1930	9,124,768	35,663,000	57,712,000	11,260,000	6,836,516	3,664,120
1931	9,311,953	33,325,000	57,575,522	10,838,000	7,214,001	3,969,552
1932	9,506,083	32,109,000	53,443,684	10,233,000	7,535,146	4,497,902

Note.—The figures for India are taken from the Association's Mill Statement.
The figures for Japan are taken from the half-yearly publication of the Japan Cotton Spinners' Association.
The rest of the figures are taken from the Comtelburo Year Book.

TABLE NO. 2.
LOOMS.

Year.	India.	United States of America.	Great Britain.	Germany.	Japan.	China.
1880	13,502	....	....	....	....	....
1881	13,707	....	....	....	....	....
1882	14,172	....	....	....	....	....
1883	15,373	....	....	....	....	....
1884	16,262	....	....	....	....	....
1885	16,537	....	561,000	....	....	....
1886	17,455	....	....	....	....	....
1887	18,536	....	....	....	....	....
1888	19,496	....	....	....	....	....
1889	21,561	....	....	....	....	....
1890	23,412	....	....	....	....	....
1891	24,531	....	....	....	....	....
1892	25,444	....	660,000	....	....	....
1893	28,164	....	....	....	....	....
1894	31,154	....	....	....	....	....
1895	35,338	362,067	606,585	245,000	5,000	....
1896	37,270	354,358	....	....	....	....
1897	37,584	379,341	....	....	2,852	....
1898	38,013	384,745	....	240,000	2,798	....
1899	39,069	392,690	....	....	2,757	....
1900	40,124	439,465	648,820	211,818	5,045	....
1901	41,180	411,106	....	211,818	....	....
1902	42,584	477,072	....	....	....	....
1903	44,092	488,760	684,000	....	5,043	....
1904	45,337	503,027	....	....	5,085	....
1905	50,139	515,006	704,357	230,200	8,140	....
1906	52,668	525,630	704,357	230,200	9,601	....
1907	58,436	536,815	725,221	....	9,462	....
1908	67,920	546,160	736,325	....	11,146	....
1909	76,898	555,398	739,382	....	13,813	....
1910	82,725	625,719	741,197	230,200	17,702	....
1911	85,352	633,909	741,260	....	20,431	....
1912	88,951	671,873	758,712	....	21,898	3,738
1913	94,136	709,255	786,205	....	24,224	4,755
1914	104,179	696,387	805,452	230,200	25,443	....
1915	108,009	689,840	808,145	....	30,068	....
1916	110,268	719,358	808,796	....	31,295	4,755
1917	114,621	725,366	807,543	....	36,181	5,853
1918	116,484	712,426	787,679	....	40,391	....
1919	118,221	700,620	790,936	....	44,401	7,193
1920	119,012	708,079	798,083	190,200	50,583	7,660
1921	123,783	719,120	790,399	190,200	54,994	....
1922	134,620	707,469	799,000	190,200	60,893	10,814
1923	144,794	744,686	795,244	240,700	64,460	22,477
1924	151,485	760,625	791,674	240,700	68,579	21,644
1925	154,202	762,808	788,197	240,700	73,381	25,934
1926	159,464	760,133	786,309	240,700	74,193	22,924
1927	161,952	745,520	767,524	250,000	77,043	24,047
1928	166,532	747,379	754,940	250,000	78,352	25,980
1929	174,992	736,379	739,887	250,000	81,209	29,788
1930	179,250	720,177	703,878	250,000	77,898	29,582
1931	182,429	658,604	657,864	230,000	79,466	29,582
1932	186,341	646,764	624,629	230,000	77,782	33,580

(Please see foot-note to previous table.)

TABLE NO. 3.
PROGRESS OF COTTON MILL INDUSTRY IN INDIA.

Year.	BOMBAY CITY AND ISLAND.						ALL-INDIA.					
	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.	Average Working.		Cotton Consumed.	Yarn Spun.	Cloth Woven.	Average Number of hands employed.
	Spindles.	Looms.					Spindles.	Looms.				
	1	2	3	4	5	6	1	2	3	4	5	6
	Year	ending 30th	June. Bales of 392 lbs.	Year ending Bales of 400 lbs.	31st March. (in yds.)	Year ending 30th June.	Year	ending 30th	June. Bales of 392 lbs.	Year ending Bales of 400 lbs.	31st March. (in yds.)	Year ending 30th June.
1904 ..	2,339,372	22,745	972,734	Not available	218,577,652	89,915	4,701,318	14,677	1,744,766	1,444,054	460,554,273	184,779
5 ..	2,398,467	25,442	1,072,452	833,858	304,568,146	92,924	4,815,050	45,507	1,879,244	1,445,953	549,529,065	195,275
6 ..	2,527,082	27,738	1,141,264	873,449	307,078,709	100,798	5,017,537	49,137	2,023,516	1,702,296	564,990,190	208,616
7 ..	2,494,488	29,311	1,115,750	926,649	408,569,624	98,101	5,038,569	52,283	1,980,170	1,634,251	708,139,874	205,696
8 ..	2,528,977	33,589	1,079,194	882,879	471,817,448	101,536	5,291,336	61,167	1,991,500	1,595,738	808,426,561	221,195
9 ..	2,584,886	34,657	1,098,704	894,115	455,639,081	105,751	5,526,233	66,097	2,109,000	1,642,075	824,489,164	236,924
10 ..	2,439,869	36,148	984,058	825,197	532,224,755	104,550	5,290,473	69,599	1,935,010	1,568,410	963,869,482	233,624
11 ..	2,493,163	38,380	953,450	801,068	563,224,913	104,500	5,392,691	73,549	1,905,866	1,524,318	1,042,741,653	230,649
12 ..	2,556,706	39,639	1,077,616	819,102	622,451,272	109,691	5,493,477	77,074	2,050,102	1,562,575	1,136,151,590	243,637
13 ..	2,567,810	39,975	1,072,210	909,202	642,101,710	110,033	5,736,701	82,577	2,096,016	1,721,182	1,220,442,545	253,786
	Year	ending 31st	August.			Year ending 31st August.	Year	ending 31st	August.			Year ending 31st August.
14 ..	2,597,913	41,643	1,078,038	887,561	592,366,008	109,860	5,848,283	85,158	2,143,126	1,706,942	1,164,291,588	260,276
15 ..	2,455,468	41,667	1,026,050	805,383	562,322,867	111,924	5,704,320	86,868	2,102,632	1,629,961	1,135,707,952	265,346
16 ..	2,551,736	47,250	1,096,174	941,857	771,266,499	118,303	5,900,896	95,965	2,197,718	1,806,061	1,441,514,550	274,361
17 ..	2,736,014	52,421	1,134,814	889,748	830,185,157	125,713	6,067,770	100,824	2,198,164	1,702,768	1,578,132,789	276,771
18 ..	2,671,450	52,887	1,068,492	893,221	933,137,872	124,199	5,987,685	101,141	2,085,678	1,651,439	1,614,126,458	282,227
19 ..	2,652,115	52,320	999,756	765,475	757,903,744	126,368	6,046,323	102,977	2,044,230	1,537,601	1,450,726,160	293,277
20 ..	2,814,718	54,664	957,150	794,297	863,292,197	140,208	6,238,771	105,169	1,952,318	1,589,400	1,639,779,227	311,078
21 ..	2,896,926	57,159	1,060,598	856,141	836,506,933	147,740	6,407,037	111,708	2,120,230	1,650,006	1,580,849,746	332,179
22 ..	2,952,183	58,848	1,074,198	871,736	921,926,856	149,224	6,549,112	117,318	2,203,540	1,733,929	1,731,573,296	343,723
23 ..	3,013,593	60,808	1,059,630	870,248	870,284,518	148,771	6,760,218	120,806	2,151,698	1,764,733	1,725,284,187	347,380
24 ..	2,929,786	62,087	821,466	673,966	855,883,055	148,414	6,962,553	128,320	1,917,748	1,521,569	1,701,574,355	356,887
25 ..	3,181,654	66,329	994,732	818,857	986,028,304	153,009	7,454,161	135,516	2,226,310	1,798,475	1,970,446,852	367,877
26 ..	2,860,076	63,403	777,970	654,906	871,840,734	149,069	7,264,234	136,033	2,113,384	1,716,068	1,954,462,650	373,508
27 ..	2,951,513	69,684	994,500	862,147	1,135,020,515	154,398	7,521,636	146,200	2,417,412	2,017,790	2,258,716,065	384,623
28 ..	1,826,026	45,464	568,848	796,867	1,131,520,832	129,275	6,505,175	126,235	2,009,782	2,022,351	2,356,564,805	360,921
29 ..	2,108,747	47,668	630,978	384,382	537,402,790	106,710	6,957,389	133,882	2,161,166	1,620,740	1,893,268,655	346,925
30 ..	2,803,936	64,397	877,492	658,042	888,944,315	136,774	7,979,454	156,662	2,573,714	2,083,899	2,418,981,049	384,022
31 ..	2,702,848	62,748	839,388	677,266	967,586,025	129,057	8,093,714	157,609	2,633,176	2,168,196	2,561,133,035	395,475
32 ..	2,715,889	61,883	920,730	803,974	1,216,886,366	129,534	8,323,082	161,340	2,911,264	2,416,016	2,989,891,101	403,226

NOTE.—Columns 1, 2 and 3.—Figures taken from the Association's Mill Statement.
Columns 4 and 5.—Are taken from "Monthly Statistics of Spinning and Weaving" published by the Government of India.
Column 6.—Same as columns 1, 2 and 3.
Production was at a standstill in all the mills in the Bombay City and Island for about 2 months in 1924 (end of January to March) and for a further period of 2½ months in 1925-26 (Sep. 15th to 1st Dec.) and again for about 6 months in 1928 (April 15th to first week of October) and for about 4½ months in 1929 (26th April to the middle of September).

TABLE NO. 4.

THE WORLD'S COTTON CROPS, 1912-13 to 1931-32 (TODD'S).

(Bales approximately 500 lbs.)

(000's omitted.)

Years.	America (Linters included.)	India*.	Egypt.	Russia.	China.	Others.	Total.	Percentage on 1914-15.
1912-13 ..	14,313	4,610	1,507	892	2,298	1,160	24,780	88
1913-14 ..	14,795	5,066	1,537	980	2,303	1,287	25,968	92
1914-15 ..	16,992	5,209	1,298	1,244	2,333	1,154	28,212	100
1915-16 ..	12,123	3,738	961	1,407	2,057	984	21,270	76
1916-17 ..	12,781	4,489	1,022	1,110	1,714	1,027	22,143	79
1917-18 ..	12,428	4,000	1,262	603	1,863	1,086	21,242	76
1918-19 ..	12,970	3,972	964	420	2,203	1,298	21,827	78
1919-20 ..	12,029	5,796	1,114	274	1,914	1,485	22,612	81
1920-21 ..	13,880	3,600	1,206	66	1,829	1,326	21,907	78
1921-22 ..	8,351	4,485	972	42	1,488	1,263	16,601	59
1922-23 ..	10,370	5,073	1,243	52	2,249	1,380	20,367	72
1923-24 ..	10,808	5,161	1,306	214	1,931	1,600	21,020	74
1924-25 ..	14,525	6,088	1,455	458	2,104	1,904	26,534	94
1925-26 ..	17,219	6,215	1,593	741	2,044	1,991	29,803	106
1926-27 ..	19,135	5,024	1,727	785	1,707	1,995	30,373	107
1927-28 ..	13,972	5,963	1,219	1,025	1,833	1,803	25,815	92
1928-29 ..	15,760	5,782	1,602	1,206	2,114	2,089	28,553	101
1929-30 ..	16,066	5,243	1,697	1,297	1,995	2,117	28,415	101
1930-31 ..	14,918	5,224	1,589	1,562	2,456	1,938	27,687	98
1931-32‡ ..	18,096	4,064	1,300	1,900	1,825	2,093	29,278	104

* 400-lb. bales. ‡ Estimates.

NOTE.—Figures taken from the tables published in the "Bombay Cotton Annual" issued by the East India Cotton Association.

TABLE No. 5.

PRODUCTION AND CONSUMPTION OF RAW COTTON IN INDIA.

(*Indian Trade Journal* dated 4th *May* 1933.)

The following statement compares the estimates of the total outturn of cotton in India for the last two years with the sum of exports and internal consumption. The figures are those compiled by the Indian Central Cotton Committee and refer in the case of mills in British provinces to Indian cotton alone. The estimate of mill consumption in Indian States refers to all cotton, but it has been ascertained from the Indian Central Cotton Committee that the amount of foreign cotton consumed in Indian States is negligible. Import figures have not therefore been taken into consideration for the purposes of the comparison set forth below. A conventional estimate has as usual been made for extra factory or local consumption. It should be borne in mind that estimates of the "Carry-over" from one year to another have not been taken into account owing to complete information not being available regarding stocks.*

	Year ending 31st August	
	1932.	1931.
	Thousand bales (400 lbs.)	Thousand bales (400 lbs.)
Exports to United Kingdom	125	274
„ to Continent (Europe excluding United Kingdom)	424	1,003
„ to China	243	626
„ to Japan	757	1,753
„ to Other Countries	33	73
Total	1,582	3,729
Home Consumption—		
Mills†	2,346	2,271
Extra—factory or local‡	750	750
Total	3,096	3,021
Approximate crop	4,678	6,750
Estimated in forecast	4,025	5,226
Excess (+) or deficit (—) neglecting carry-over	+653	+1,524

* Stocks of cotton in Bombay were 685,000 bales on 31st August 1931 and 773,000 bales on 31st August 1932.

† The figure of mill consumption is that compiled by the Indian Central Cotton Committee, Bombay, mainly on the basis of returns made under the Indian Cotton Cess Act.

‡ Conventional estimate.

TABLE No. 6.

STATEMENT SHOWING THE STOCKS OF COTTON HELD BY INDIAN MILLS ON 1ST AUGUST 1932 AND ON 1ST FEBRUARY 1933.

(In bales regardless of weight.)

	Bombay City and Island.		All-India.	
	1-8-32.	1-2-33	1-8-32.	1-2-33.
COTTON MILL STOCKS. (In actual bales regardless of weight.)				
(*a*) American (Linters and waste not included)	62,909	22,035	101,416	35,397
(*b*) East India	119,618	88,163	692,079	591,078
(*c*) Egyptian	6,002	2,678	19,322	11,377
(*d*) Sundries	24,318	14,386	59,211	35,024
Total	212,847	127,262	872,028	677,876

Figures from the Cotton Census taken at the request of the International Federation of Master Cotton Spinners' and Manufacturers' Associations.

(Figures are approximations.)

TABLE No. 7.

The following Table gives details of cotton arrivals into Bombay during the 1931-32 *season compared with the total of the nine previous years.*
(Actual weight converted into bales of 3½ cwts. each.) (Season ending 31st August in each case.)
NOTE.—The following figures are extracted from the daily returns issued by the Bombay Chamber of Commerce.

	1922-23.	1923-24.	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.
Khandeish	361,633	340,771	297,806	292,847	315,441	307,249	365,837	294,922	324,94[illegible]	121,806
Central India	313,158	302,050	351,654	386,999	318,827	299,680	392,022	411,394	339,182	118,798
Barsi Naggar and Hyderabad Gaorani	346,392	310,279	308,365	299,702	274,592	437,759	348,875	355,162	255,074	103,145
Berar	666,233	647,314	574,520	479,843	578,454	730,789	792,419	731,747	593,289	250,475
Central Provinces	272,566	268,766	259,870	247,023	233,578	310,327	393,745	406,227	373,926	75,094
Dholleras	440,075	184,907	316,809	285,748	215,377	384,608	249,115	198,899	281,614	250,430
N. W. Provinces	84,929	122,536	133,887	131,256	59,570	65,213	62,338	140,446	93,552	26,970
Rajputana	135,270	90,203	84,216	117,015	66,045	56,155	51,886	58,599	53,365	56,570
Sind-Punjab	276,592	310,881	365,478	296,512	119,098	137,416	135,491	153,145	124,112	140,672
Broach	414,378	307,772	486,985	313,681	241,163	269,272	196,453	287,060	303,695	260,317
Compta Dharwar	132,693	187,493	222,650	168,007	142,453	145,150	137,799	160,648	98,274	86,693
Western Northerns	85,340	93,019	126,862	117,182	75,183	53,777	67,321	71,241	49,378	48,586
Coconada	4,182	2,888	2,403	3,302	495	7	6	103	24	10
Tinnevelly and Cambodia	47,384	30,322	41,369	68,875	50,161	37,082	40,357	46,250	42,670	16,851
Persians	5,737	9,764	6,904	5,627	5,719	5,770	1,774	704	1,438	2,951
Americans	1,632	2	9,649	28,130	379,120	102,910	11,719	15,889	140,296	*280,808
Egyptians	1,421	3,718	648	638	3,462	2,199	1,636	12,387	148,947	121,032
East Africans	51,069	77,932	74,289	88,569	85,988	78,119	107,747	134,533	179,473	133,162
Comilla, Burmah and Other Sorts	603	877	3,513	3,700	916	275	47	858	702	322
TOTAL ..	3,641,287	3,291,494	3,667,877	3,334,656	3,165,642	3,423,757	3,356,587	3,480,214	3,403,951	2,094,692

* Or 229,636 original bales of American cotton.

TABLE No. 8.

STATEMENT SHOWING THE WEEKLY PRICES OF COTTON IN BOMBAY (IN RUPEES PER CANDY OF 784 lbs.)

The figures are extracted from the Weekly Statistics of the East India Cotton Association, Ltd.

Week ending.	BENGAL F. G.		BROACH.		OOMRA FINE.	
	Price.	Delivery.	Price.	Delivery.	Price.	Delivery.
7th January 1932	191	Spot.	199	Apl./May.	226	Spot.
14th ,,		Market	closed.			
21st ,,	195	Spot.	210	,,	218	,,
28th ,,	197	,,	207	,,	216	,,
4th February	....	No	Quotations.			
11th ,,	191	,,	215	,,	210	,,
18th ,,	200	,,	232	,,	220	,,
25th ,,	203	,,	235	,,	224	,,
3rd March	198	,,	230	,,	222	,,
10th ,,	183	,,	214	,,	208	,,
17th ,,	183	,,	212	,,	207	,,
24th ,,	171	,,	200		193	,,
31st ,,	168	,,	196	,,	190	,,
7th April	153	,,	174	,,	172	,,
14th ,,		No	Quotations.			
21st ,,	162	,,	183	,,	176	,,
28th ,,	159	July	185	,,	..	..
5th May	146	,,	169	,,	..	..
12th ,,	150	,,	172	,,	162	,,
19th ,,	145	,,	168	,,	158	,,
26th ,,	143	,,	169	July/Aug	155	,,
2nd June	129	Spot.	151	,,	140	,,
9th ,,	134	,,	155	,,	144	,,
16th ,,	138	,,	158	,,	147	,,
23rd ,,	135	,,	156	,,	146	,,
30th ,,	138	,,	164	,,	154	,,
7th July	151	,,	174	,,	164	,,
14th ,,		No	Quotations.			
21st ,,	151	,,	168	,,	161	,,
28th ,,	155	,,	172	,,	166	,,
4th August	162	,,	178	,,	174	,,
11th ,,	188	,,	205	,,	199	,,
18th ,,	200	,,	217	,,	214	,,
25th ,,	196	Dec./Jan.	231	,,	230	,,
1st September	191	,,	245	Apl./May.	231	,,
8th ,,	212	,,	267	1933.	252	,,
15th ,,	172	,,	216	,,	193	Dec./Jan.
22nd ,,	182	,,	224	,,	202	,,
29th ,,	175	,,	220	,,	195	,,
6th October	168	,,	213	,,	188	,,
13th ,,	164	,,	206	,,	182	,,
20th ,,	170	,,	210	,,	189	,,
27th ,,	175	,,	213	,,	193	,,
3rd November	166	,,	208	,,	184	,,
10th ,,	166	,,	207	,,	184	,,
17th ,,	174	,,	214	,,	192	,,
24th ,,	168	,,	208	,,	187	,,
1st December	167	Spot.	201	,,	181	,,
8th ,,	162	,,	191	,,	170	,,
15th ,,	174	,,	202	,,	186	,,
22nd ,,	168	,,	199	,,	183	Spot.
29th ,,	168	,,	198	,,	184	,,

TABLE No. 9.

STOCKS OF YARN AND CLOTH HELD BY BOMBAY MILLS.

The following table shows the stocks of Yarn and Cloth held by Bombay Mills compiled from returns received by the Association :—

Date of Returns.	YARN STOCKS IN BALES. Approximation of stocks for all Bombay Mills.			CLOTH STOCKS IN BALES. Approximation of stocks for all Bombay Mills.		
	Sold but delivery not taken.	Unsold.	Total unclear-ed.	Sold but delivery not taken.	Unsold.	Total unclear-ed.
1929.						
January 31st	6,000	3,000	9,000	28,000	38,000	66,000
February 28th	9,000	3,000	12,000	33,000	45,000	78,000
March 31st	9,000	4,000	13,000	35,000	53,000	88,000
April 30th	10,000	4,000	14,000	38,000	56,000	94,000
May 31st	6,000	4,000	10,000	33,000	49,000	82,000
June 30th	5,000	4,000	9,000	28,000	49,000	77,000
July 31st	5,000	4,000	9,000	34,000	45,000	79,000
August 31st	7,000	4,000	11,000	41,000	44,000	85,000
September 30th	8,000	5,000	13,000	41,000	43,000	84,000
October 31st	10,000	6,000	16,000	48,000	44,000	92,000
November 30th	11,000	5,000	16,000	48,000	45,000	93,000
December 31st	15,000	8,000	23,000	58,000	61,000	119,000
1930.						
January 31st	14,000	13,000	27,000	63,000	74,000	137,000
February 28th	13,000	17,000	30,000	70,000	86,000	156,000
March 31st	14,000	15,000	29,000	67,000	98,000	165,000
April 30th	17,000	13,000	30,000	70,000	96,000	166,000
May 31st	17,000	13,000	30,000	80,000	91,000	171,000
June 30th	16,000	15,000	31,000	84,000	103,000	187,000
July 31st	15,000	17,000	32,000	82,000	117,000	199,000
August 31st	12,000	19,000	31,000	78,000	123,000	201,000
September 30th	11,000	15,000	26,000	61,000	120,000	181,000
October 31st	10,000	14,000	24,000	55,000	109,000	164,000
November 30th	9,000	13,000	22,000	44,000	98,000	142,000
December 31st	9,000	15,000	24,000	43,000	109,000	145,000
1931.						
January 31st	11,000	12,000	23,000	46,000	100,000	146,000
February 28th	7,000	10,000	17,000	30,000	84,000	114,000
March 31st	10,000	12,000	22,000	39,000	84,000	123,000
April 30th	12,000	11,000	23,000	44,000	82,000	126,000
May 31st	15,000	14,000	29,000	55,000	84,000	139,000
June 30th	15,000	13,000	28,000	64,000	93,000	157,000
July 31st	14,000	11,000	25,000	75,000	96,000	171,000
August 31st	11,000	12,000	23,000	90,000	102,000	192,000
September 30th	6,000	11,000	17,000	63,000	101,000	164,000
October 31st	7,000	6,000	13,000	64,000	92,000	156,000
November 30th	7,000	6,000	13.000	63,000	72,000	135,000
December 31st	7,000	6,000	13,000	59,000	73,000	132,000
1932.						
January 31st	11,000	6,000	17,000	65,000	75,000	140,000
February 29th	11,000	5,000	16,000	53,000	67,000	120,000
March 31st	13,000	6,000	19,000	57,000	73,000	130,000
April 30th	15,000	9,000	24,000	60,000	78,000	138,000
May 31st	18,000	12,000	30,000	73,000	82,000	155,000
June 30th	17,000	11,000	28,000	76,000	89,000	165,000
July 31st	16,000	10,000	26,000	84,000	84,000	168,000
August 31st	15,000	11,000	26,000	90,000	78,000	168,000
September 30th	14,000	13,000	27,000	85,000	79,000	164,000
October 31st	17,000	13,000	30,000	90,000	70,000	160,000
November 30th	15,000	14,000	29,000	74,000	74,000	148,000
December 31st	16,000	14,000	30,000	60,000	85,000	154,000

TABLE NO. 10.

AVERAGE WHOLESALE PRICES OF PIECEGOODS AND YARN PRODUCED BY BOMBAY MILLS.

Date.	PIECEGOODS.			YARN.	
	Longcloth.	T. Cloths.	Chadars.	Twist. No. 10's.	Twist. No. 20's.
	As.	As.	As.	As.	As.
Year ending December 31st, 1905 ..	9.39	9.56	9.30	5 29/32	7.0
Year ending December 31st, 1906 ..	9.46	9.45	9.38	5 29/32	7 5/16
Year ending December 31st, 1907 ..		Not Available.			
Year ending December 31st, 1908 ..	9 7/16	9 1/16	8 15/16	5 3/32	6 1/4
Year endingDecember 31st, 1909 ..		Not Available.			
Year ending December 31st, 1910 ..	9 15/16	9 3/16	9 3/16	6 27/32	7 13/16
Year ending December 31st, 1911 ..		Not Available.			
Year ending December 31st, 1912 ..	10 13/16	10⅝	9⅞	7 5/32	8⅛
Year ending December 31st, 1913 ..		Not Available.			
Year ending December 31st, 1914 ..	9½	9 3/16	9 5/16	5⅝	6 23/32
Year ending December 31st, 1915 ..	9 1/16	8 7/16	8 7/16	5	6 1/32
Year ending December 31st, 1916 ..	11¾	11⅛	10⅜	6 7/16	8 9/32
Year ending December 31st, 1917 ..	17½	16 3/16	14 15/16	9 7/16	12 29/32
Year ending December 31st, 1918 ..	29⅛	26⅜	25½	16 29/32	20 31/32
Year ending December 31st, 1919 ..	26⅜	24 9/16	24¼	16 19/32	21 3/16
Year ending December 31st, 1920 ..	29¾	27¾	27 9/16	16 11/16	24⅛
Year ending December 31st, 1921 ..	26 3/16	24⅜	24 5/16	12 9/32	17
Year ending December 31st, 1922 ..	25 11/32	22¾	23⅜	12¼	16 15/16
Year ending December 31st, 1923 ..	21⅜	19 15/16	19 13/16	12 1/16	15 19/32
Year ending December 31st, 1924 ..	22¾	21⅛	20 9/16	14½	17 11/32
Year ending December 31st, 1925 ..	19¼	18 9/16	18 1/8	12 3/32	13 31/32

TABLE NO. 10—*contd.*

AVERAGE WHOLESALE PRICES OF GREY UNBLEACHED PIECEGOODS IN 1932.

	Longcloth Standard Quality 37×37½×9 Per lb.	Shirtings 35×38×9 Per lb.	Dhoties (up to ¼" Nakhi border,) 32×9×1¾. Per lb.	Drills 29½×40×13½ Per lb.	T-cloths 30×24×6 Per lb.	Domestics 24×48×10 Per lb.	Domestics 26×61×11 Per lb.	Sahta 40×66×25 Per lb.	Chadars 50×6×2½ Per lb.	Khadi 28×24×7⅞ Per lb.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Year ending 31st December 1926	1 0 5	0 15 5	1 0 5	0 14 0	0 14 10	0 15 2	0 14 9	0 15 2	0 15 6	0 11 4
Year ending 31st December 1927	0 15 1	0 14 6	0 15 4	0 12 7	0 13 0	0 14 7	0 13 10	0 13 10	0 14 4	0 11 1
Year ending 31st December 1928	0 15 4	0 14 9	0 15 9	0 12 11	0 14 4	0 14 9	0 14 6	0 14 5	0 14 3	0 11 6
Year ending 31st December 1929	0 15 5	0 14 9	0 15 9	0 13 1	0 14 10	0 15 0	0 14 11	0 14 6	0 14 11	0 11 5
Year ending 31st December 1930	0 12 9	0 12 2	0 13 5	0 10 5	0 12 4	0 12 9	0 12 3	0 11 11	0 12 6	0 9 2
Year ending 31st December 1931	0 11 3	0 10 6	0 11 6	0 9 3	0 10 9	0 11 6	0 11 0	0 10 6	0 11 0	0 8 0
Fortnight ending :—										
1st January, 1932	0 10 9	0 10 0	0 10 6	0 9 3	0 10 6	0 11 0	0 10 6	0 10 6	0 10 9	....
15th January, 1932	0 10 9	0 10 3	0 10 9	0 9 3	0 10 6	0 11 3	0 10 6	0 10 6	0 10 9	....
29th January, 1932	0 11 3	0 10 9	0 11 3	0 9 3	0 10 6	0 11 3	0 10 9	0 10 9	0 11 0	....
12th February, 1932	0 11 9	0 11 3	0 11 9	0 9 3	0 10 9	0 11 6	0 11 0	0 10 9	0 11 3	....
26th February, 1932	0 11 9	0 11 3	0 11 9	0 9 3	0 11 3	0 12 0	0 11 6	0 11 0	0 11 6	....
11th March, 1932	0 12 0	0 11 6	0 12 0	0 9 6	0 11 3	0 12 0	0 11 6	0 11 0	0 11 9	....
25th March, 1932	0 12 0	0 11 6	0 12 0	0 9 6	0 11 3	0 12 0	0 11 6	0 11 0	0 11 9	....
8th April, 1932	0 11 9	0 11 0	0 11 9	0 9 3	0 11 0	0 11 3	0 11 0	0 10 9	0 11 6	....
22nd April, 1932	0 11 6	0 11 0	0 11 9	0 9 0	0 11 0	0 11 0	0 10 9	0 10 9	0 11 3	....
6th May, 1932	0 11 0	0 10 6	0 11 3	0 8 6	0 10 6	0 10 6	0 10 9	0 10 6	0 10 9	....
20th May, 1932	0 10 9	0 10 3	0 11 0	0 8 6	0 10 3	0 10 3	0 10 6	0 10 6	0 10 6	....
3rd June, 1932	0 10 6	0 10 0	0 10 9	0 8 3	0 10 0	0 10 0	0 10 3	0 10 0	0 10 6	....
17th June, 1932	0 10 6	0 10 0	0 10 9	0 8 3	0 10 0	0 10 0	0 10 3	0 10 0	0 10 3	....
1st July, 1932	0 10 6	0 9 9	0 10 6	0 8 3	0 9 9	0 10 0	0 10 0	0 10 0	0 10 0	....
15th July, 1932	0 10 6	0 9 9	0 10 6	0 8 3	0 9 9	0 10 0	0 10 0	0 10 0	0 10 0	....
29th July, 1932	0 10 6	0 9 9	0 10 9	0 8 6	0 10 3	0 10 0	0 10 3	0 10 3	0 10 3	....
12th August, 1932	0 11 0	0 10 3	0 11 0	0 8 9	0 10 6	0 10 0	0 10 9	0 10 3	0 10 6	....
26th August, 1932	0 11 3	0 10 9	0 11 3	0 9 3	0 10 9	0 10 6	0 11 0	0 10 9	0 10 9	....
9th September, 1932	0 11 9	0 11 0	0 12 0	0 9 3	0 11 0	0 10 6	0 11 0	0 11 0	0 11 3	....
23rd September, 1932	0 11 6	0 10 9	0 11 9	0 9 3	0 10 3	0 10 3	0 10 9	0 10 9	0 11 0	....
7th October, 1932	0 11 0	0 10 6	0 11 3	0 8 9	0 10 3	0 10 0	0 10 6	0 10 3	0 10 9	....
21st October, 1932	0 10 6	0 10 3	0 10 9	0 8 6	0 10 0	0 9 9	0 10 3	0 10 3	0 10 6	....
4th November, 1932	0 10 6	0 10 3	0 10 9	0 8 6	0 10 3	0 9 9	0 10 3	0 10 3	0 10 6	....
18th November, 1932	0 10 9	0 10 3	0 10 9	0 8 6	0 10 3	0 9 9	0 10 3	0 10 3	0 10 6	....
2nd December, 1932	0 10 6	0 10 3	0 10 9	0 8 6	0 10 3	0 9 9	0 10 3	0 10 3	0 10 6	....
16th December, 1932	0 10 6	0 10 3	0 10 6	0 8 6	0 10 3	0 9 9	0 10 3	0 10 3	0 10 6	....
30th December, 1932	0 10 6	0 10 0	0 10 9	0 8 6	0 10 0	0 9 9	0 10 3	0 10 0	0 10 3	....

NOTE:—Figures extracted from the current quotations issued by the Association.

TABLE NO. 10—*contd.*

AVERAGE WHOLESALE PRICES FOR WHITE AND COLOURED PIECEGOODS AND GREY YARN IN 1932.

	WHITE BLEACHED.			DYED GOODS.		FANCY GOODS.								YARN (Price per lb.)								
	Long-cloth 36×40 ×10⅞ Per Piece	Striped Shirting 25× 24×3½ (up to 15% Colour) Per piece	Twills 31½× 40×7¾ Per piece	Dyed Long-cloth (Black) 35× 38×9. Per piece	Dyed Long-cloth (napthol red) 45× 26×3½. Per piece	Susi, Grey Weft. 21× 24×2 11/16 (up to 20% colour Per piece	Susi, Check 22× 24×3½ (50% colour) Per piece	Susi, Check. 22× 24×3½ (100% colour) Per piece	Sholapur Coating 27× 24×8½ (100% colour) Per piece	Sholapur Coating 27× 24×6½ (100% colour) Per piece	Striped Drills. 24× 24×5 (up to 20% colour) Per piece	Kash-mere Cloth 24× 24×4 (Cotton Dyed.) Per piece	Towels. 30× 162/3×7 Per dozen.	4s Bump (nominal)	6½s. All Waste.	8½	10½	12½	16s.	20s.	24s.	32s.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Year ending 31st Dec. 1926	13 6 0	4 8 10	10 12 8	10 10 9	4 13 2	2 11 2	3 9 8	3 13 9	11 6 0	6 6 6	4 8 7	3 14 5	8 7 0	0 6 0	0 6 4	0 7 5	0 8 4	0 9 2	0 10 2	0 10 8	0 12 5	
Do. 1927	13 1 6	4 4 9	9 14 7	9 13 0	Not quoted.	2 9 3	3 2 9	3 6 0	10 6 10	5 12 4	4 5 7	3 11 1	7 10 0	0 6 0	0 6 11	0 8 0	0 8 8	0 9 9	0 10 3	0 10 10	11 4	
Do. 1928	12 3 8	4 2 6	8 11 3	10 2 9	5 7 6	2 10 4	3 4 8	3 10 6	9 10 9	6 1 0	4 11 0	3 10 7	7 9 4	0 5 11	0 7 8	0 8 7	0 9 5	0 10 0	0 11 1	0 11 10	0 12 5	
Do. 1929	12 2 4	4 2 5	8 11 6	9 12 0	5 7 1	2 10 4	3 7 9	3 9 6	9 7 2	6 2 3	4 11 3	3 11 0	6 15 8	0 5 6	0 7 4	0 8 4	0 9 1	0 9 6	0 10 8	0 11 9	0 12 6	
Do. 1930	11 2 3	3 12 0	6 1 2	8 8 5	5 4 10	2 1 7	3 0 6	3 4 3	8 4 8	5 5 0	3 14 8	3 1 6	5 14 4	0 4 4	0 5 7	0 6 5	0 6 10	0 7 3	0 8 6	0 9 2	0 9 9	
Year ending 31st Dec. 1931	,,	3 2 0	5 14 0	7 12 0	,,	1 12 0	,,	,,	7 4 0	5 8 0	,,	2 10 0	5 4 0	0 3 1	0 4 3	0 5 3	0 5 8	0 6 0	0 7 0	0 7 5	0 8 0	
Fortnight ending ..	Not	Not			Not		Not	Not			Not		Not									
1st January 1932 ..	quoted.	quoted.	6 4 0	7 0 6	quoted.	1 11 0	quoted.	quoted.	7 0 0	5 8 0	quoted.	2 8 0	quoted.	0 3 3	0 4 3	0 5 9	0 6 0	0 6 3	0 7 3	0 7 9	0 8 0	0 9 9
15th January ,, ..	,,	,,	6 5 0	7 5 0	,,	1 11 0	,,	,,	7 0 0	5 8 0	,,	2 10 0	,,	0 3 3	0 4 3	0 5 9	0 6 3	0 6 6	0 7 3	0 7 9	0 8 3	0 10 6
29th January ,, ..	,,	3 4 9	6 5 0	7 7 3	,,	2 1 0	,,	,,	7 0 0	5 8 0	,,	2 10 0	,,	0 3 3	0 4 3	0 6 6	0 6 9	0 7 0	0 7 9	0 8 3	0 8 6	0 10 0
12th February ,, ..	,,	3 6 6	6 8 0	7 7 3	,,	2 1 0	,,	,,	7 0 0	5 8 0	,,	2 12 0	,,	0 3 9	0 5 0	0 6 6	0 6 9	0 7 3	0 7 9	0 8 9	0 9 0	8 11 3
26th February ,, ..	,,	3 6 6	6 8 0	7 11 9	,,	2 1 0	,,	,,	7 8 0	6 0 0	,,	2 12 0	,,	0 3 9	0 5 0	0 6 9	0 7 0	0 7 3	0 8 6	0 9 0	0 9 3	0 11 9
11th March ,, ..	,,	3 7 0	6 8 0	7 14 0	,,	2 1 0	,,	,,	7 8 0	6 0 0	,,	2 12 0	,,	0 3 9	0 5 0	0 6 9	0 7 0	0 7 3	0 8 6	0 9 3	0 9 6	0 12 0
25th March ,, ..	,,	3 7 0	6 8 0	7 14 0	,,	2 1 0	,,	,,	7 0 0	5 12 0	,,	2 12 0	,,	0 3 9	0 5 0	0 6 6	0 6 9	0 7 3	0 8 3	0 9 0	0 10 0	0 12 3
8th April ,, ..	,,	3 4 6	6 2 0	7 7 3	,,	1 15 0	,,	,,	7 0 0	5 8 0	,,	2 8 0	,,	0 3 3	0 4 9	0 6 0	0 6 6	0 6 9	0 7 9	0 8 6	0 9 3	0 11 3
22nd April ,, ..	,,	3 4 6	6 2 0	7 7 3	,,	1 15 0	,,	,,	7 0 0	5 8 0	,,	2 8 0	,,	0 3 0	0 4 6	0 5 9	0 6 3	0 6 6	0 7 6	0 8 0	0 9 0	0 10 9
6th May ,, ..	,,	3 4 6	5 13 0	6 14 3	,,	1 14 0	,,	,,	7 0 0	5 8 0	,,	2 8 0	,,	0 3 0	0 4 3	0 5 9	0 6 0	0 6 3	0 7 3	0 7 9	0 8 9	0 10 3
20th May ,, ..	,,	3 3 6	5 13 0	6 14 3	,,	1 14 0	,,	,,	7 0 0	5 8 0	,,	2 6 0	,,	0 3 0	0 4 3	0 5 6	0 5 9	0 6 0	0 7 3	0 7 9	0 8 6	0 10 0
3rd June ,, ..	,,	3 3 6	5 9 0	6 14 3	,,	1 14 0	,,	,,	7 0 0	5 8 0	,,	2 6 0	,,	0 3 0	0 4 3	0 5 3	0 5 6	0 5 9	0 7 3	0 7 6	0 8 6	0 9 6
17th June ,, ..	,,	3 2 6	5 5 3	6 14 3	,,	1 13 0	,,	,,	7 0 0	5 12 0	,,	2 6 0	,,	0 3 0	0 4 3	0 5 3	0 5 6	0 5 9	0 7 0	0 7 6	0 8 6	0 9 6
1st July ,, ..	,,	3 0 6	5 5 0	6 9 9	,,	1 13 0	,,	,,	7 0 0	5 8 0	,,	2 7 0	,,	0 3 0	0 4 3	0 5 3	0 5 6	0 5 9	0 7 0	0 7 6	0 8 9	0 9 6
15th July ,, ..	,,	3 0 6	5 5 0	6 9 9	,,	2 0 3	,,	,,	7 4 0	5 14 0	,,	2 8 0	,,	0 3 0	0 3 9	0 5 3	0 5 6	0 5 9	0 7 0	0 7 6	0 8 3	0 9 0
29th July ,, ..	,,	3 1 6	5 5 0	6 9 9	,,	Not quoted.	,,	,,	7 4 0	5 14 0	,,	2 8 0	,,	0 3 0	0 3 9	0 5 3	0 5 6	0 5 9	0 7 0	0 7 6	0 8 0	0 9 0
12th August ,, ..	,,	3 0	5 5 0	6 14 3	,,	2 1 0	,,	,,	7 4 0	5 14 0	,,	Not quoted.	,,	0 3 3	0 4 0	0 6 0	0 6 3	0 6 6	0 7 3	0 7 9	0 8 6	0 9 9
26th August ,, ..	,,	3 6	5 8 0	7 5 0	,,	2 1 0	,,	,,	7 0 0	5 8 0	,,	,,	,,	Not quoted.	0 4 6	0 6 6	0 6 9	0 7 0	0 7 9	0 8 3	0 9 3	0 10 6
9th September ,, ..	,,	3 5 0	5 8 0	7 5 0	,,	2 1 0	,,	,,	7 4 0	6 2 0	,,	,,	,,	,,	0 4 6	0 6 6	0 6 9	0 7 0	0 7 9	0 8 0	0 9 3	0 10 6
23rd September ,, ..	,,	3 3 6	5 5 0	7 5 0	,,	1 15 0	,,	,,	7 4 0	6 2 0	,,	,,	,,	,,	0 4 6	0 5 9	0 6 3	0 6 6	0 7 3	0 7 9	0 8 6	0 10 0
7th October ,, ..	,,	3 2 9	5 5 0	7 5 0	,,	1 15 0	,,	,,	7 4 0	6 2 0	,,	,,	,,	,,	0 4 3	0 5 9	0 6 3	0 6 6	0 7 3	0 7 6	0 8 3	0 10 0
21st October ,, ..	,,	3 2 3	5 3 0	7 2 9	,,	1 13 6	,,	,,	7 4 0	6 2 0	,,	,,	,,	,,	0 4 0	0 5 3	0 5 9	0 6 0	0 6 9	0 7 3	0 7 9	0 9 9
4th November ,, ..	,,	3 2 3	Not quoted.	Not quoted.	,,	1 14 0	,,	,,	7 4 0	6 6 0	,,	,,	,,	,,	0 4 0	0 5 3	0 5 9	0 6 0	0 6 9	0 7 3	0 8 0	0 9 6
18th November ,, ..	,,	3 2 6	4 14 0	,,	,,	1 14 0	,,	,,	7 4 0	6 6 0	,,	,,	,,	,,	0 4 0	0 5 3	0 5 9	0 6 0	0 6 6	0 7 3	0 7 9	0 9 6
2nd December ,, ..	,,	3 3 0	Not quoted.	,,	,,	1 14 0	,,	,,	7 2 0	6 2 0	,,	2 8 0	,,	,,	0 4 3	0 5 6	0 5 9	0 6 0	0 6 9	0 7 3	0 8 0	0 9 6
16th December ,, ..	,,	3 3 0	,,	,,	,,	1 14 0	,,	,,	7 4 0	6 2 0	,,	2 8 0	,,		0 4 3	0 5 3	0 5 9	0 6 0	0 6 9	0 7 3	0 8 0	0 9 6
30th December ,, ..	,,	3 3 0	,,	,,	,,	1 13 0	,,	,,	7 4 0	6 2 0	,,	2 6 0	,,	,,	0 4 0	0 5 3	0 5 6	0 6 0	0 6 6	0 7 0	0 7 9	0 9 3

TABLE NO. II.

EXCHANGE VARIATIONS IN 1932 FOR TELEGRAPHIC TRANSFERS, DEMAND DRAFTS AND THE PRICE OF SILVER.

1932.		Bombay/ London. Selling T. T. Rate.	Bombay/ Yokohama Per 100 yens Selling T. T. Rate.	Bombay/ Hongkong Per 100 dollars Selling D.D. Rate.	Bombay/ Shanghai Per 100 taels. Selling D.D. Rate.	Bombay/ New York Per 100 dollars. Selling D.D. Rate.	Price in Bombay for 100 tolas of ready silver.
		s	Rs.	Rs.	Rs.	Rs.	Rs. a. p.
Jany.	Highest	1/6 1/8	148	99 1/8	131 3/4	397¾	62 10 0
	Lowest	1/6 1/16	137	93 3/8	125 1/2	383	57 8 0
Feby.	Highest	1/6 1/8	141	100 7/8	135	387	61 0 0
	Lowest	1/6 3/32	124	97 1/8	127	390½	58 0 0
March	Highest	1/6 1/8	130	98 1/8	132¼	381¾	58 12 0
	Lowest	1/6 1/32	116	88 1/2	116½	347½	54 1 0
April	Highest	1/6 1/16	121	88 3/8	115¼	370½	55 14 0
	Lowest	1/5 29/32	119	84	111	352	53 6 0
May	Highest	1/5 15/16	123	88 7/8	114¼	367¾	56 9 0
	Lowest	1/5 7/8	117½	84 7/8	111¾	363	54 6 0
June	Highest	1/5 15/16	120	87 5/8	114	373¾	56 3 0
	Lowest	1/5 7/8	104	86 5/8	111¾	364½	54 7 0
July	Highest	1/6 1/16	108	87 1/2	113½	380½	55 3 0
	Lowest	1/5 15/16	104	85 5/8	110	374½	54 2 0
Aug.	Highest	1/6 3/32	106	93 1/8	122½	385	57 8 0
	Lowest	1/6 1/16	87	87	113½	377	54 8 0
Sept.	Highest	1/6 1/8	97	92 5/8	121	385	57 12 0
	Lowest	1/6 3/32	88	89 1/8	116¾	381¼	55 5 0
Octr.	Highest	1/6 1/8	95	92 3/8	121	405½	56 12 0
	Lowest	1/6 1/8	90	89 5/8	117¼	383½	55 11 0
Novr.	Highest	1/6 5/32	89	92 1/2	121	419	56 11 0
	Lowest	1/6 1/8	83	91	118¼	396	52 12 0
Decr.	Highest	1/6 5/32	87	91	118½	414½	52 10 0
	Lowest	1/6 5/32	85	84 5/8	108¾	397	48 14 0

NOTE:—These figures were supplied by Messrs. Premchand Roychand & Sons, Exchange Brokers, Bombay.

TABLE NO. 12.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN INDIA.

(In thousands of pounds.)

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24. *	1924-25.	1925-26. *	Calendar Year. 1926.	Calendar Year 1927.	Calendar Year 1928. §	Calendar Year 1929. §	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
BRITISH INDIA—																				
1 to 10	125,722	125,503	139,726	107,143	98,391	84,663	81,044	81,180	94,251	97,603	80,123	87,505	89,339	110,470	104,601	54,412	94,387	101,283	104,200	104,901
11 to 20	339,958	322,113	362,372	347,767	325,045	292,365	321,738	334,403	345,887	348,815	299,062	343,396	316,531	353,712	353,501	250,954	322,659	338,667	362,721	406,845
21 to 30	156,837	146,454	160,425	161,469	173,794	180,216	174,240	188,824	193,330	197,325	168,219	205,347	191,063	221,702	240,298	181,581	233,098	233,630	253,019	272,051
31 to 40	18,971	18,199	18,021	23,260	23,600	18,583	16,535	14,868	16,707	15,836	19,143	18,774	18,498	24,849	29,808	33,066	43,185	53,411	64,251	73,071
Above 40	2,686	2,213	1,960	4,461	5,748	4,503	3,542	2,067	2,364	2,195	3,255	5,809	5,816	10,292	11,685	9,200	13,839	22,751	31,987	34,246
Wastes	679	475	651	346	223	231	256	314	472	162	324	330	1,319	2,590	5,925	5,227	6,375	5,983	4,891	5,346
TOTAL ..	644,853	614,957	683,155	644,447	626,801	580,561	597,355	621,655	653,011	661,936	570,125	661,162	623,371‡	723,903†	745,819	534,442	713,543	755,725	821,069	896,459
NATIVE STATES—																				
1 to 10	5,062	5,506	5,581	3,539	2,061	2,657	3,143	2,763	4,816	5,375	4,721	5,291	6,385	5,935	7,911	8,756	10,421	11,150	12,997	13,222
11 to 20	21,951	21,213	23,816	22,166	20,957	22,175	25,262	25,125	25,565	26,802	28,005	33,619	32,493	37,046	49,643	48,966	55,315	64,166	66,102	75,467
21 to 30	10,158	9,786	9,319	10,019	9,874	8,989	9,417	10,262	9,832	11,634	13 758	18,465	22,726	23,594	24,064	27,334	30,815	31,603	31,309	33,248
31 to 40	741	502	552	821	789	606	545	156	94	94	524	593	1,239	1,797	1,835	2,304	2,534	3,245	3,971	4.495
Above 40	12	19	3	116	94	53	18	....	26	....	6	14	18	142	212	254	373	861	1,174	1,749
Wastes	....	....	....	....	....	....	19	41	20	52	190	247	196	187	484	256	268	275	283	283
TOTAL ..	37,924	37,028	39,270	36,660	33,775	34,480	38,405	38,347	40,452	43,958	47,204	58,228	63,057	68,702	84,149	87,870	99,726	111,300	115,835	128,465
GRAND TOTAL, BRITISH INDIA AND NATIVE STATES—																				
1 to 10	130,784	131,010	145,307	110,682	100,452	87,320	84,188	83,943	99,067	102,978	84,843	92,796	95,724	116,415	112,512	63,168	104,809	112,432	117,197	118,123
11 to 20	361,909	343,326	386,188	369,933	346,002	314,541	347,000	359,527	371,452	375,617	327,067	377,015	349,024	390,759	403,144	299,920	377,974	402,833	428,823	482,312
21 to 30	166,995	156,240	169,744	171,488	183,667	189,204	183,657	199,086	203,162	208,959	181,977	223,812	213,789	245,295	264,362	208,915	263,913	265,233	284,328	305,298
31 to 40	19,712	18,701	18,573	24,082	24,389	19,189	17,080	15,024	16,900	15,930	19,667	19,368	19,737	26,645	31,643	35,370	45,719	56,657	68,222	77,566
Above 40	2,699	2,233	1,963	4,577	5,842	4,555	3,560	2,067	2,389	2,195	3,261	5,822	5,834	10,435	11,899	9,454	14,212	23,612	33,161	35,994
Wastes	679	475	651	346	223	231	275	355	492	214	514	578	1,515	2,777	6,409	5.483	6,643	6,258	5,174	5,630
GRAND TOTAL ..	682,777	651,985	722,425	681,107	660,576	615,040	635,760	660,003	693,463	705,894	617,329	719,390	686,428‡	792,606†	829,968	622,312	813,269	867,025	936,904	1,024,924

* During the years 1923-24 and 1925-26 all the mills in the City and Island of Bombay were closed for about 2 months and 2½ months respectively.

‡ Includes 805 lbs. for which details are not known.

† Do. 288 do. do.

Note.—The periods covered by all the Statistics included in the report are, unless otherwise stated, official years ending 31st March.

§ During the year 1928 all the mills in the City and Island of Bombay were closed for about 6 months and for about 4½ months during 1929.

TABLE NO. 13.

STATEMENT SHOWING THE QUANTITY OF YARN SPUN IN BOMBAY CITY AND ISLAND.

(In thousands of pounds.)

Descriptions.	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23. *	1923-24. *	1924-25. *	1925-26. *	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
Nos. 1 to 10..	89,352	88,219	97,875	73,500	71,167	55,970	56,406	58,242	71,274	74,226	56,123	61,164	56,982	75,498	66,995	28,436	54,055	54,381	53,321	52,094
Nos. 11 to 20..	186,217	162,658	197,320	198,700	186,336	151,433	173,435	183,839	175,505	171,828	125,910	156,150	116,959	152,442	142,755	58,298	105,766	103,861	115,740	128,178
Nos. 21 to 30..	74,751	66,553	77,108	77,591	90,916	90,604	81,274	94,134	94,753	95,406	79,538	98,955	79,114	102,169	110,397	48,697	81,295	85,229	101,541	103,225
Nos. 31 to 40..	3,831	4,017	3,832	4,824	6,991	6,669	5,161	5,178	6,000	5,587	6,605	7,961	5,885	8,858	11,290	8,024	12,891	20,517	27,206	33,468
Above 40	822	600	557	1,226	1,847	1,447	1,405	921	989	1,028	1,338	3,212	2,503	3,834	5,306	2,769	4,768	9,053	12,351	13,487
Wastes, etc. ..	52	106	51	58	32	67	38	143	173	24	73	101	520	1,085	1,204	628	967	576	745	655
TOTAL ..	355,025	322,153	376,743	355,899	357,289	306,190	317,719	342,457	348,694	348,099	269,587	327,543	261,963	343,887	337,948	146,853	259,741	273,617	310,903	331,108

* Please see footnote to table 12 regarding strikes in Bombay Mills.

TABLE NO. 14.

DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN INDIAN MILLS.

GRAND TOTAL, INDIA (British India and Indian States).

(Figures in thousands.)

Description.		1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
GREY AND BLEACHED PIECEGOODS																					
Chadars	Yards ..	69,870	65,603	75,163	67,761	54,049	37,914	68,093	59,194	59,428	63,202	58,003	61,614	62,076	65,106	66,659	55,669	65,342	57,500	54,520	59,690
Dhutis	Yards ..	284,770	258,974	323,640	300,949	325,017	369,357	337,602	340,128	455,637	431,145	399,214	458,404	516,394	590,425	614,199	551,131	726,656	829,348	941,393	1,050,443
Drills and Jeans	Yards ..	27,813	30,789	46,329	56,503	78,611	54,284	80,845	74,305	60,452	56,306	54,974	77,191	74,150	80,076	90,872	73,668	98,330	80,327	100,232	115,224
Cambrics and Lawns	Yards ..	5,053	3,545	5,701	6,379	8,277	5,195	8,473	5,951	7,347	5,554	3,649	5,395	3,167	3,135	4,988	5,204	3,132	17,236	37,574	68,582
Printers	Yards ..	30,384	28,007	26,900	31,599	26,593	23,067	29,837	28,284	35,622	39,073	34,831	32,777	25,872	22,513	20,876	21,630	18,751	19,294	21,764	16,008
Shirtings and Longcloth	Yards ..	292,488	320,705	419,625	427,753	450,630	393,779	444,501	456,240	487,034	470,549	443,848	525,524	521,126	587,363	612,076	466,134	581,417	605,150	769,607	787,789
T-cloth, Domestics and Sheetings ..	Yards ..	128,969	134,288	151,401	192,132	137,396	110,511	122,402	97,388	84,117	81,002	68,075	77,742	74,073	83,806	98,233	72,057	90,270	104,404	149,956	158,257
Tent Cloth	Yards ..	5,814	8,962	11,844	17,181	24,550	36,870	5,671	7,508	7,255	6,588	6,573	9,894	9,005	7,907	5,960	6,791	7,458	9,268	5,126	6,405
Khadi, Dungree or Khaddar ..	Yards ..	....	....	....	..	..	..	..	..	..	..	..	87,153	87,406	96,625	118,738	88,226	123,329	165,678	124,074	117,947
Other Sorts	Yards ..	27,286	29,627	34,264	35,913	35,899	45,733	66,649	60,886	87,859	118,371	128,488	46,675	41,035	43,406	43,252	33,573	41,960	39,587	49,532	59,103
TOTAL ..	Yards ..	872,446	880,502	1,094,867	1,136,170	1,141,022	1,076,711	1,164,073	1,129,883	1,284,752	1,271,790	1,197,654	1,382,368	1,414,304	1,580,362	1,675,853	1,374,083	1,756,644	1,927,791	2,253,779	2,439,447
Coloured Piecegoods	Yards ..	291,846	255,206	346,647	441,962	473,105	374,015	475,706	450,967	446,822	453,494	503,920	588,078	540,157	645,153	695,996	486,149	600,741	566,315	646,703	763,775
Grey and Coloured Goods other than Piecegoods	Dozens.	638	512	653	660	706	721	659	707	629	1,213	514	611	956	1,074	956	781	1,155	913	782	911
Cotton Goods mixed with Silk or Wool	Pounds .	....	....	....	43	253	307	204	227	178	165	207	272	708	1,876	4,278	3,448	3,382	3,514	3,389	1,940
Grand Total	Pounds	....	....	....	43	253	307	204	227	178	165	207	272	708	1,876	4,278	3,448	3,382	3,514	3,389	1,940
	Yards	1,164,292	1,135,708	1,441,515	1,578,133	1,614,126	1,450,726	1,639,779	1,580,850	1,731,573	1,725,284	1,701,574	1,970,447	1,954,461	2,225,515	2,371,849	1,860,232	2,357,385	2,494,106	2,900,482	3,203,223
	Dozens	638	512	653	660	706	721	659	707	629	1,213	514	611	956	1,074	956	781	1,155	913	782	911

Until the year 1924-25, Khadi, Dungree or Khaddar production was included in 'other sorts.' Similarly, mixed cotton goods were not shown separately until 1916-17.

Previous to 1st April 1926, the *actual* production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act of 1896 for detailed interpretation of the term 'manufactured.') (Please see footnote to table 12 regarding strikes in Bombay Mills.)

TABLE NO. 15.

DETAILED STATEMENT OF THE QUANTITY AND DESCRIPTION OF WOVEN GOODS PRODUCED IN BOMBAY CITY AND ISLAND.

(Figures in thousands.)

Description of Goods.		1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	1924-25.	1925-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
GREY AND BLEACHED GOODS—																					
Chadars	Yds.	35,962	28,819	33,336	31,655	27,816	14,820	29,010	25,102	28,248	25,239	24,318	25,734	26,795	29,995	31,057	13,644	19,279	18,035	16,576	16,487
Dhuties	,,	56,703	46,726	61,727	48,341	65,429	88,605	78,919	77,547	121,793	102,025	97,624	110,997	115,412	145,998	170,800	80,484	159,927	224,301	278,577	326,893
Drills and Jeans	,,	14,838	17,567	29,660	36,452	55,596	33,292	50,170	46,034	35,504	31,523	33,294	49,907	38,408	49,323	58,202	36,514	55,743	46,294	66,203	71,944
Cambrics and Lawns ..	,,	3,636	2,831	3,476	4,075	5,269	3,190	3,897	2,470	4,448	2,186	1,560	2,443	1,449	340	1,856	2,216	840	4,176	14,706	14,634
Printers	,,	278	79	116	122	61	314	449	376	1,479	1,674	280	165	1,041	927	..	..	26	13	1,047	933
Shirtings and Longcloths ..	,,	189,617	201,048	269,383	236,283	297,201	233,227	255,628	270,724	311,600	289,340	278,940	326,482	306,776	371,738	380,759	179,243	272,161	319,384	414,754	436,910
T-Cloths, Domestics and Sheetings	,,	78,322	84,275	108,768	144,514	93,344	64,672	82,792	66,848	53,722	48,427	39,457	45,034	36,195	42,239	46,105	18,233	25,345	33,133	66,817	68,290
Tent Cloth	,,	1,535	3,103	5,642	7,189	8,820	21,026	2,745	2,924	2,499	1,924	1,488	2,261	2,205	2,399	1,330	1,626	1,842	1,644	698	1,205
Khadi, Dungri or Khaddar ..	,,	..	..	..	..	..	..	..	..	..	..	..	30,574	27,514	45,721	55,340	18,332	34,186	58,677	27,769	15,648
Other Sorts	,,	7,941	7,418	7,773	6,662	9,644	12,669	14,827	12,313	26,633	44,980	45,897	11,549	10,302	10,898	13,595	8,179	14,581	14,116	18,111	20,835
TOTAL ..	,,	388,834	391,867	519,881	515,292	563,180	471,814	518,436	504,339	585,926	547,318	522,859	605,145	566,097	700,581	759,044	358,472	583,929	720,674	905,318	973,779
COLOURED PIECEGOODS ..	Yds.	203,531	170,456	251,385	314,893	369,958	286,090	344,856	332,168	336,001	322,966	333,024	380,883	305,744	386,085	409,377	186,974	278,103	239,193	268,712	292,969
GREY AND COLOURED GOODS other THAN PIECEGOODS.	Doz.	478	348	478	532	581	616	486	503	420	487	349	429	721	784	656	427	700	458	315	342
COTTON GOODS MIXED with SILK OR WOOL	Lbs.	..	..	..	15	96	113	58	113	64	99	139	115	468	1,140	2,105	847	708	1,090	1,749	282
GRAND TOTAL ..	Yds.	592,365	562,323	771,266	830,185	933,138	757,904	863,292	836,507	921,927	870,285	855,883	986,028	871,841	1,086,666	1,168,421	545,446	862,032	959,867	1,174,030	1,266,748
	Doz.	478	348	478	532	581	616	486	503	420	487	349	429	721	784	656	427	700	458	315	342
	Lbs.	..	..	..	15	96	113	58	113	64	99	139	115	468	1,140	2,105	847	708	1,090	1,749	282

NOTE.—Until the year 1924-25, Khadi, Dungree or Khaddar production was included in 'other sorts.' Similarly, mixed cotton goods were not shown separately until 1916-17.
Previous to 1st April 1926, the *actual* production figures of cloth were not recorded, the figures given in the tables relate to the quantities on which excise duty had become payable. (See Cotton Duties Act 1896 for detailed interpretation of the term 'manufactured.')
See footnote to Table 12 for strikes in Bombay Mills.

TABLE No. 16.

IMPORTS OF COTTON YARN INTO INDIA.

(Quantities in thousands of pounds.)

Classifications of Yarn.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
GREY SINGLES—																				
1s to 10s	97	79	113	29	16	99	41	216	91	89	107	99	80	85	354	17	103	10	..	..
11s to 15s	43	46	69	99	63	99	114	148	55	36	102	81	22	26	551	30	6	5	10	10
16s to 20s	511	68	131	614	70	7,660	182	6,993	6,555	12,652	6,377	6,629	4,201	2,008	1,069	748	836	334	143	660
21s to 25s	227	34	71	5	23	..	32	128	900	449	231	168	168	136	140	357	78	49	5	7
26s to 30s	2,845	4,732	3,587	884	446	1,927	531	3,436	4,063	4,650	893	677	415	202	348	127	245	163	425	823
31s to 40s	8,833	9,255	8,454	4,800	2,255	12,805	2,079	13,885	19,035	21,061	12,943	21,383	21,680	20,924	25,049	13,826	15,996	14,897	13,025	18,299
41s to 50s	3,062	2,892	2,731	1,580	1,413	3,316	1,061	1,429	2,517	2,131	2,078	1,983	1,288	2,031	1,324	1,118	937	600	257	419
Above 50s	3,470	2,886	2,997	2,117	1,346	2,718	..	(See classifications below) & foot note.									..	..	..	..
51s to 60s	..	..	..	..	..	..	767	1,776	2,708	1,772	2,490	3,123	2,883	3,559	3,019	4,357	4,638	1,792	2,445	3,714
61s to 100s	..	..	..	..	..	..	1,143	851	2,742	1,957	2,463	1,997	1,756	2,000	1,705	1,961	1,956	1,064	901	1,505
Above 100s	..	..	..	..	..	..	50	37	135	123	137	114	242	165	117	137	153	137	113	82
GREY TWO FOLDS (Doubles)	..	..	..	..	..	..	840	3,183	4,974	4,063	3,434	5,023	5,222	5,799	6,656	3,815	5,600	3,072	3,440	5,149
WHITE (BLEACHED)	..	..	..	..	..	..	1,077	2,040	2,520	1,894	2,650	3,427	3,751	4,112	4,985	4,555	5,570	4,132	3,614	4,238
COLOURED SINGLES.—																				
1s to 20s	603	283	519	562	205	132	120	234	260	292	271	361	469	293	445	266	201	197	177	247
21s to 25s	669	305	436	583	355	461	308	304	319	352	242	309	375	396	220	248	200	204	208	315
26s to 30s	842	617	739	497	155	136	136	321	174	58	100	257	160	199	114	78	28	23	25	6
31s to 40s	14,825	14,238	12,834	11,218	7,810	3,980	4,773	8,958	7,705	5,596	6,864	6,305	4,614	4,165	4,167	2,176	3,126	1,196	552	552
41s to 50s	451	521	904	587	403	221	92	455	221	5	68	50	84	232	87	52	92	49	48	15
Above 50s	876	722	880	602	408	480	478	473	558	235	503	391	433	533	459	270	446	248	181	224
COLOURED TWO FOLDS (Doubles)	..	..	..	..	..	..	448	1,060	772	490	598	810	973	694	579	498	433	420	280	348
MERCERISED COTTON YARN	..	1,819	1,175	1,742	1,135	902	470	1,280	794	1,320	2,019	2,664	2,845	4,165	5,181	3,895	5,874	3,674	4,624	7,547
UNSPECIFIED DESCRIPTION	6,818	4,368	4,788	3,609	3,297	3,161	353	127	24	49	4	57	27	29	76	27	30	11	21	24
SEWING THREAD	1,705	1,191	1,920	2,384	1,755	1,360	1,705	1,496	1,004	1,230	1,534	1,660	2,154	2,135	2,387	2,085	2,360	2,049	1,815	2,034
ARTIFICIAL SILK YARN	..	..	..	..	..	51	168	74	71	225	406	1,171	2,671	4,012	8,478	6,927	7,992	6,016	8,045	12,354
TOTAL ..	45,876	44,055	42,347	31,914	21,155	39,506	16,970	48,903	58,200	60,729	46,515	58,738	56,513	57,900	67,509	47,570	56,900	40,343	40,353	58,572

NOTE.—Before the year 1919-20 all yarns above 50 Counts were grouped as "above 50s." It was only in 1920 that Government introduced the three additional classifications, viz., 51s to 60s, 61s to 100s, and above 100s. Before 1919-20 Greyfolds (doubles), white bleached, and Coloured two folds were not separatley shown. The same remark applies to mercerised yarn prior to 1914-15 and artificial silk yarn prior to 1918-19; previously they were included in the general heading "unspecified descriptions."

TABLE No. 17.

IMPORTS OF COTTON YARN INTO BOMBAY.

(Quantities in thousands of pounds.)

Classifications of Yarn.	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
GREY SINGLES—																				
1s to 10s	64	22	2	..	1	97	40	110	49	8c	73	17	3c	..	26c	16	102	1c	..	..
11s to 15s	..	..	..	..	1	42	71	29	8	..	..	4	4	5	541	13	..	..	1	..
16s to 20s	420	10	41	491	6	6,265	144	5,295	4,716	8,445	4,003	2,044	1,365	299	226	6	40	23	16	578
21s to 25s	196	1	25	1	19	..	8	73	737	300	41	37	..	6	3	228	..	1	..	..
26s to 30s	2,135	4,008	3,205	779	436	1,384	451	2,362	3,354	4,486	833	574	397	152	210	89	182	106	8	10
31s to 40s	3,650	3,154	4,128	1,671	953	8,208	1,046	7,510	10,300	11,244	8,238	11,933	12,874	12,250	15,820	6,075	6,334	3,282	3,183	4,493
41s to 50s	1,378	1,464	1,460	1,044	867	3,089	775	682	1,673	1,482	1,372	1,358	743	884	856	521	588	422	69	96
Above 50s	1,822	1,301	1,214	1,103	734	1,864	..	(See classifications below) & footnote.											..	..
51s to 60s	..	..	..	..	..	..	564	784	912	343	297	627	926	665	649	1,132	1,047	327	67	162
61s to 100s	..	..	..	..	..	..	509	381	1,178	838	888	803	385	654	427	321	448	237	48	62
Above 100s	..	..	..	..	..	..	8	22	33	13	17	39	127	41	51	19	22	37	..	2
GREY TWO FOLDS (Doubles)	..	..	..	..	..	..	839	3,089	3,948	3,564	2,888	3,954	4,123	5,521	5,323	3,124	4,509	2,240	2,504	3,618
WHITE (BLEACHED)	..	..	..	..	..	..	587	1,234	1,482	1,060	1,585	1,916	1,990	2,217	2,525	2,144	2,099	1,806	1,668	1,853
COLOURED SINGLES.—																				
1s to 20s	52	1	40	34	1	..	2	24	2	7	3	36	3	..	1	..	2	1	1	..
21s to 25s	9	5	5	4	3	..	..	13	1	2	..	..	..	1	..	2	1	1	..	..
26s to 30s	238	174	182	133	44	30	49	91	72	35	8	61	22	4	13	16	7	5	..	..
31s to 40s	2,077	1,719	2,241	1,874	871	445	630	1,172	1,146	443	892	753	376	339	254	171	240	50	23	2
41s to 50s	7	1	198	183	10	79	71	100	211	..	58	31	57	62	86	43	26	13	22	6
Above 50s	74	59	33	37	13	17	5	16	25	1	6	13	27	8	..	2	..	..	..	..
COLOURED TWO FOLDS (Doubles)	..	..	..	..	..	..	306	2,743	566	242	385	487	463	430	213	123	84	50	6	..
MERCERISED COTTON YARN	..	1,530	1,020	1,612	1,047	874	453	1,209	770	1,286	1,964	2,607	2,731	4,076	5,162	3,799	5,502	3,045	4,123	6,338
UNSPECIFIED DESCRIPTION	3,480	1,437	1,413	895	1,048	707	..	..	..	..	..	22	11	2	6	27	20	4	17	10
SEWING THREAD	504	384	695	1,383	906	642	412	545	384	465	601	681	721	664	822	721	830	747	661	816
ARTIFICIAL SILK YARN	..	..	..	..	..	51	168	69	63	201	356	879	2,002	3,367	7,295	4,981	4,996	3,087	5,540	7,675
TOTAL ..	16,106	15,268	15,908	11,245	6,962	23,794	7,139	25,556	31,631	34,535	24,509	28,875	29,376	31,647	40,743	23,573	27,080	15,494	17,958	25,721

(See footnote to Table 16.)

TABLE No. 18.

STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BRITISH INDIA.

(Quantities in thousands of yards.)

DESCRIPTION.	1913-14.	1914-15.	1915-16.	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23	1923-24	1924-25	1925-26	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931.	Calendar Year 1932.
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED):—																				
Chadars	2,800	3,161	1,784	1,647	263	1	296	439	367	634	730	831	780	1,052	1,084	954	1,193	318	23	45
Dhuties, Saris, etc.	806,067	666,236	610,338	520,161	398,001	304,314	348,193	291,255	383,411	506,657	432,658	489,881	429,271	509,089	508,666	454,127	490,653	304,944	87,149	113,683
Drills and Jeans	21,288	18,903	23,187	21,171	7,575	13,673	9,811	17,616	16,123	14,275	16,802	17,282	19,427	15,329	14,802	10,132	13,179	5,411	2,862	1,721
Flannels	..	..	..	..	36	19	..	2	..	412	6	61	19	22	16	12	2	298	4	..
Jaconets and Madapollams	150,364	111,472	101,699	82,935	62,730	48,909	40,764	39,061	55,176	83,594	72,983	89,407	57,039	74,327	76,779	77,113	58,518	29,496	22,264	24,283
Longcloth	545,388	514,540	406,478	184,919	122,847	159,611	114,484	181,893	129,364	280,131	119,036	206,741	171,327	166,635	242,408	207,860	344,623	213,600	130,970	190,983
Printers	60	..	..	..	..	..	..	..	..	..	..	13	4	2	..	..	22	6	..	..
Sheetings	151	742	1,833	35,092	30,272	53,793	17,778	46,358	50,164	44,516	60,742	39,361	30,413	19,870	24,000	8,652	14,296	4,471	4,715	3,827
T-cloth and Domestics	6,377	4,544	2,177	121	2,815	2,696	1,564	2,942	398	584	510	531	482	369	576	95	113	89	28	14
Unspecified Sorts	1,695	637	752	944	936	403	451	642	605	221	488	1,394	323	210	498	979	2,298	1,433	1,558	1,300
TOTAL	1,534,189	1,320,235	1,148,247	846,990	625,475	583,420	533,341	580,208	635,608	931,025	703,956	845,502	709,085	786,908	868,829	759,925	924,898	560,066	249,572	335,856
WHITE, BLEACHED:—																				
Chadars	2,673	1,937	689	1,538	679	173	419	479	396	414	487	718	277	311	251	173	54	85	..	17
Checks, Spots and Stripes	16,101	9,576	12,751	11,169	5,172	1,312	3,939	8,950	1,542	5,793	8,458	11,024	7,020	10,122	12,820	15,517	11,873	7,046	2,939	6,426
Dhuties, Saris, etc.	104,343	103,179	51,967	63,496	41,623	35,797	37,913	35,672	31,944	44,959	45,693	68,896	72,590	109,993	87,197	40,907	51,704	20,921	2,845	2,636
Drills and Jeans	5,752	5,198	6,632	6,880	3,301	4,447	3,259	6,315	2,023	3,140	3,421	6,347	6,106	5,499	6,586	5,603	6,468	4,767	3,694	4,918
Flannels	..	..	..	..	390	17	19	367	11	52	38	35	67	44	54	15	23	57	102	68
Jaconets, etc.	307,851	212,547	176,081	183,101	13,549	4,424	10,314	11,624	5,737	7,118	8,292	9,294	9,398	13,762	13,950	16,610	16,181	14,273	8,669	17,438
Lawns	..	..	..	..	..	5,929	4,157	8,666	4,688	8,679	7,698	9,193	8,855	16,100	8,650	7,481	11,953	7,344	4,867	15,272
Longcloth and Shirting	115,259	115,896	163,430	123,180	113,337	65,940	77,328	108,521	48,163	69,365	67,215	122,724	93,787	93,073	113,352	121,773	100,408	91,883	71,903	109,325
Mulls	..	..	..	..	151,218	129,483	109,600	93,911	138,314	159,134	164,657	185,629	168,603	205,565	217,704	242,410	203,978	149,462	142,391	194,224
Nainsooks	204,757	134,893	170,762	168,986	150,193	27,134	59,128	121,718	67,551	90,752	88,468	105,367	76,998	66,861	82,629	86,882	53,173	40,034	20,329	28,504
Sheetings	208	189	347	265	739	219	214	260	38	135	220	153	164	212	140	269	97	175	89	39
T-cloth and Domestics	11	27	15	8	46	246	6	4	..	..	17	1	25	4	..	27	5	14	1	..
Twills	8,268	6,587	10,874	9,128	6,974	2,255	6,207	13,409	3,349	6,382	7,275	13,342	12,226	11,553	14,395	17,467	16,166	11,448	3,309	9,938
Unspecified Sorts	28,123	14,191	17,858	22,082	15,133	9,258	9,543	11,888	2,410	6,569	13,419	16,152	8,995	12,680	11,119	10,181	5,060	2,206	1,797	2,327
TOTAL	793,345	604,221	611,405	589,833	502,353	286,635	322,047	421,784	306,167	402,492	415,357	548,876	465,112	545,781	568,846	565,315	477,143	349,715	262,935	391,132
COLOURED, PRINTED OR DYED:—																				
Cambrics	113,586	72,080	41,495	48,716	50,759	29,267	29,440	54,357	17,701	36,186	44,139	44,472	34,737	38,720	48,816	54,335	43,987	28,237	16,627	34,045
Chadars	289	208	136	12	7	7	19	22	1	4	2	58	3	49	70	2	11	15	..	2
Checks, Spots and Stripes	19,722	10,164	9,510	17,284	11,341	5,331	5,643	13,588	3,657	6,474	8,512	15,446	10,770	14,868	17,856	23,362	24,139	18,720	4,743	10,799
Dhuties, Lungis and Sarongs	40,915	24,253	22,527	24,807	11,938	5,394	11,098	16,278	11,344	17,676	12,776	15,238	17,908	20,697	21,188	17,222	24,334	21,278	13,658	24,556
Drills and Jeans	29,998	20,008	19,593	20,090	22,797	16,856	7,009	19,335	9,628	16,049	17,213	25,349	32,358	38,914	65,973	53,622	78,805	47,464	33,285	66,047
Flannels	..	..	..	..	9,672	4,175	1,294	9,744	1,413	1,610	3,900	6,302	10,301	18,677	21,363	18,980	10,436	7,078	10,050	19,159
Prints and Chintz	209,709	104,644	85,943	106,872	100,986	70,025	48,905	114,722	28,735	44,689	61,529	59,533	56,026	49,801	64,878	76,079	65,297	42,859	21,243	48,142
Saris and Scarves	74,250	75,599	34,082	39,567	28,608	17,320	14,125	38,177	15,944	19,166	32,655	30,772	29,280	34,040	34,116	37,059	33,920	24,788	7,915	15,836
Shirtings	152,574	76,681	55,759	64,121	60,838	24,703	27,985	71,571	25,015	38,231	51,605	69,317	72,450	87,766	86,117	95,406	95,974	74,525	57,337	111,125
Twills	31,374	17,536	12,127	16,505	23,465	10,812	7,524	31,179	5,753	9,289	16,810	22,243	20,368	24,530	40,217	48,975	35,004	22,329	17,252	22,279
Sateens	..	..	..	..	..	..	..	..	..	..	..	..	3,586	3,660	5,068	4,736	2,903	1,747	866	3,653
Coatings and Trouserings	..	..	..	..	..	..	..	..	..	..	..	..	7,283	10,320	8,867	12,027	7,802	3,079	2,333	3,283
Italian Cloth and Sateens	..	..	..	..	..	..	..	..	..	..	..	..	12,934	26,004	20,799	34,066	16,510	13,383	11,259	21,123
Velvets and Velveteens	..	..	..	..	..	..	..	..	..	..	..	..	1,219	1,526	1,757	2,465	1,673	1,070	910	2,862
Unspecified Sorts	159,352	93,602	77,566	116,985	75,182	43,429	55,254	120,283	19,089	54,415	98,353	118,240	56,613	59,818	53,346	40,393	31,104	22,368	9,969	16,753
TOTAL	831,770	494,775	358,739	454,959	395,594	227,319	208,296	489,256	138,279	243,789	347,493	406,971	365,836	429,390	493,432	518,727	471,900	328,940	207,447	399,663
FENTS OF ALL KINDS	37,824	26,430	26,709	41,740	32,086	24,600	17,064	18,472	9,746	15,989	19,020	21,882	23,680	21,883	34,032	36,778	36,456	14,846	21,420	28,583

TABLE No. 19.

STATEMENT SHOWING THE VARIOUS CLASSES OF PIECEGOODS IMPORTED INTO BOMBAY.

(Quantities in thousands of yards.)

Description.	1913–14	1914–15	1915–16	1916–17	1917–18	1918–19	1919–20	1920–21	1921–22	1922–23	1923–24	1924–25	1925–26	Calendar Year 1926.	Calendar Year 1927.	Calendar Year 1928.	Calendar Year 1929.	Calendar Year 1930.	Calendar Year 1931	Calendar Year 1932.
PIECEGOODS.																				
GREY, UNBLEACHED (PLAIN AND BORDERED).																				
Chadars	106	..	..	..	..	..	7	..	..	4	..	39	145	61	3..	76	90	..	..	..
Dhuties, Saries, etc.	33,113	26,084	13,945	8,545	8,024	7,626	6,493	5,625	2,460	7,683	7,965	11,015	7,962	6,695	8,614	11,8.2	18,632	10,189	363	2,.54
Drills and Jeans	10,331	9,893	11,227	12,022	4,828	9,971	7,311	12,602	8,743	9,554	12,376	10,231	12,258	8,101	7,2.7	5,137	6,464	2,115	1,054	832
Flannels	..	..	..	..	16	..	..	..	..	..	..	59	16	22	11	64	..	..	4	..
Jaconets and Madapollams	39,031	22,168	21,523	23,490	24,250	20,259	10,876	12,556	22,282	20,816	16,500	25,161	13,188	13,913	20,977	25,629	20,002	9,933	9,360	11,775
Longcloth	121,050	109,264	54,624	43,126	31,115	78,241	26,204	66,247	35,661	58,580	35,834	54,777	65,388	55,804	76,421	81,..6	144,076	71,631	41,208	66,340
Printers	60	..	..	..	..	..	..	..	..	..	..	13	4	2	..	1	22	6	..	..
Sheetings	140	726	1,149	34,351	29,930	44,757	17,481	44,019	46,849	36,612	53,781	29,262	21,662	11,971	16,101	5,466	11,876	2,090	4,635	3,671
T-Cloth and Domestics	1,331	1,476	40	38	1,991	2,349	481	2,016	277	419	29	289	127	98	384	6	16	10	..	..
Unspecified Sorts	342	172	315	393	387	58	51	185	390	28	55	457	41	27	90	569	1,308	423	960	792
TOTAL	205,504	169,783	102,823	121,965	100,541	163,261	68,904	143,250	116,662	133,696	126,540	131,303	120,791	96,694	131,907	129,876	202,487	96,396	57,583	85,665
WHITE, BLEACHED:—																				
Chadars	..	57	29	..	..	..	..	..	..	..	..	281	59	89	18	25	5	..	..	..
Checks, Spots and Stripes	2,903	1,446	1,336	1,125	1,202	273	613	916	236	682	1,073	1,360	1,547	2,305	1,560	1,664	881	505	149	795
Dhutis, Saries, etc.	25,054	21,972	9,809	10,522	8,388	10,411	9,825	4,972	3,260	7,219	6,853	10,371	12,554	9,904	11,.00	15,407	16,358	3,785	196	102
Drills and Jeans	3,148	2,431	3,228	3,601	1,143	675	1,548	3,031	417	499	1,399	2,126	2,492	2,596	3,202	3,394	3,353	1,854	843	1,817
Flannels	..	..	..	268	..	5	301	..	..	..	..	22	12	2	41	7	23	20	25	41
Jaconets, etc.	82,039	51,097	33,882	35,238	1,589	1,515	3,154	3,593	518	1,397	1,964	1,745	3,221	4,430	3,728	5,214	2,824	2,550	2,862	6,160
Lawns	..	..	..	..	..	860	852	1,036	190	1,132	538	495	389	508	316	591	325	500	331	560
Longcloth and Shirting	34,138	35,753	37,985	37,695	31,022	30,724	25,445	27,671	11,607	11,610	16,359	32,882	21,640	18,789	28,417	31,884	25,344	18,868	12,352	28,095
Mulls	..	..	..	..	28,901	27,871	24,604	18,733	22,439	23,083	31,309	34,069	30,405	33,493	35,750	48,203	39,407	20,120	14,205	22,734
Nainsooks	73,107	45,297	39,132	44,949	38,166	10,118	13,722	35,144	10,203	13,314	22,738	24,670	22,438	9,438	20,342	20,149	12,056	8,629	3,732	6,617
Sheetings	67	111	101	78	592	25	104	105	7	14	38	64	74	62	37	106	46	31	33	9
T-Cloth and Domestics	2	..	..	8	43	246	..	..	..	..	17	1	10	1	..	28	5	14	1	1
Twills	1,201	544	934	1,378	392	375	839	1,633	68	239	690	1,518	2,501	3,082	3,178	5,059	4,267	2,416	735	1,576
Unspecified Sorts	18,081	8,462	9,483	12,564	8,797	7,174	4,970	4,915	957	2,681	4,431	5,864	4,249	5,181	3,699	4,432	2,043	562	238	444
TOTAL	239,740	167,170	135,919	147,158	120,503	90,267	85,681	102,050	49,902	61,870	87,409	115,468	101,591	89,880	111,488	136,163	106,938	59,876	35,702	68,951
COLOURED, PRINTED OR DYED:—																				
Cambrics	45,735	33,959	18,198	18,507	19,527	11,652	11,988	14,010	3,312	10,717	15,356	4,864	14,624	15,441	19,081	26,284	20,506	11,601	4,469	10,727
Chadars	4	..	102	..	6	6	18	22	..	..	2	29	..	18	5	2	11	..	..	2
Checks, Spots and Stripes	7,631	3,147	2,091	4,189	3,422	1,363	1,864	4,460	458	1,682	1,449	3,929	4,390	7,014	6,960	11,594	10,788	8,071	916	3,953
Dhutis, Lungis and Sarongs	1,141	732	340	489	431	153	457	265	44	146	107	240	310	479	183	510	680	249	33	153
Drills and Jeans	5,116	4,494	5,488	9,191	6,139	2,445	2,555	3,489	1,997	2,903	3,057	6,034	7,072	8,346	16,426	20,725	34,985	15,060	7,795	28,091
Flannels	..	..	..	..	3,416	397	464	1,928	214	145	721	1,398	2,334	5,400	5,460	4,990	3,788	1,079	1,731	4,021
Prints and Chintz	123,114	66,030	52,648	66,786	60,290	48,431	27,452	66,480	11,586	23,268	40,707	37,136	39,123	31,701	44,297	55,917	40,767	20,931	9,965	26,447
Saris and Scarves	31,931	26,126	12,877	12,209	7,371	6,493	5,335	11,739	3,049	6,324	12,296	12,358	14,079	8,399	8,624	16,183	16,775	7,621	953	5,352
Shirtings	44,143	28,382	14,281	16,005	12,322	6,920	5,602	14,116	4,689	10,797	14,135	15,041	17,884	22,372	18,928	23,566	27,729	15,602	12,853	32,063
Twills	2,959	3,367	2,220	2,867	3,466	4,908	1,334	4,469	903	1,126	1,573	3,273	5,523	7,185	15,394	20,648	15,983	7,583	3,751	7,408
Sateens	..	..	..	..	..	..	..	..	..	..	..	10	1,111	808	1,314	1,504	1,418	981	27	491
Coatings and Trouserings	..	..	..	..	..	..	..	..	..	..	..	..	2,776	4,687	4,564	6,348	2,666	1,101	359	747
Italian Cloth and Sateens	..	..	..	..	..	..	..	..	..	..	..	..	5,115	10,855	8,563	15,743	8,235	5,069	2,930	7,326
Velvet and Velveteens	..	..	..	..	..	..	..	..	..	..	..	..	738	782	733	1,209	547	456	416	1,102
Unspecified Sorts	84,030	50,177	43,424	59,652	36,283	26,230	27,711	56,864	7,819	22,684	46,917	49,538	16,217	10,488	8,764	6,666	5,802	2,892	1,614	3,099
TOTAL	345,804	216,414	151,669	189,895	152,673	108,998	83,780	177,842	34,071	79,792	136,320	143,850	131,296	133,976	159,296	211,890	190,679	98,296	47,811	130,982
Fents of all Descriptions	31,437	19,050	16,432	24,428	23,567	21,271	13,274	13,787	8,813	15,283	17,770	20,256	22,056	20,133	32,069	34,156	33,126	12,839	12,828	24,551

TABLE No. 20.

SUMMARY OF IMPORTS OF COTTON YARN INTO INDIA.

(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932
Grey Singles	5,478	5,196	7,952	2,942	547	6,566	10,415	11,556	10,956	..	1	..	193	..	..	..	..	..	..	..	1	4	..	..	19	23	42	19,052	17,323	25,518
Coloured Singles ..	1,433	1,093	1,281	4	..	..	4	10	..	..	..	..	138	10	..	23	..	..	284	55	62	21	19	..	10	4	16	1,917	1,191	1,359
White Bleached. . ..	3,688	3,153	3,576	434	445	650	2	4	10	..	..	..	5	6	..	..	..	..	2	..	..	..	..	..	2	6	2	4,132	3,614	4,238
Grey Folded	919	1,011	966	1,061	273	2,862	1,056	2,027	1,307	..	..	..	36	128	13	..	..	..	..	..	..	..	..	..	..	1	..	3,072	3,440	5,149
Coloured Folded ..	403	278	348	17	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	420	280	348
Mercerised	103	198	229	3,569	4,425	7,317	..	..	..	..	..	..	..	..	1	..	..	..	1	..	..	..	..	..	..	..	..	3,674	4,624	7,547
Artificial Silk	1,101	814	1,544	3	86	2,138	..	1	..	10	..	..	3,365	4,537	6,306	548	1,128	989	96	169	231	231	364	346	663	946	800	6,016	8,045	12,354
Unspecified Descriptions	7	19	11	4	2	13	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	11	21	24
Rope	838	784	683	4	12	1	..	..	1	16	25	22	1	..	..	..	..	..	..	..	..	..	8	4	2	1	..	861	830	712
Sewing Thread	1,768	1,543	1,786	4	3	2	..	..	..	1	..	2	..	37	25	120	105	135	..	..	..	1	1	1	155	126	82	2,049	1,815	2,034
TOTAL	15,738	14,089	18,376	8,041	5,793	19,551	11,478	13,598	12,275	27	26	24	3,738	4,718	6,345	690	1,233	1,124	383	224	294	258	393	351	851	1,108	943	41,204	41,183	59,283

TABLE NO. 21.

DETAILED IMPORTS OF COTTON YARN INTO INDIA.

(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong.)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932
SINGLE GREY:—																														
1 to 10 ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10	..	..	10	..	..
11 to 20 ..	286	112	74	43	6	594	11	34	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	2	340	153	670
21 to 30 ..	209	312	704	1	118	125	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	212	429	829
31 to 40 ..	1,414	1,141	1,532	2,882	412	5,771	10,402	11,450	10,956	..	..	..	194	..	..	..	..	..	..	..	..	4	..	..	1	22	40	14,897	13,025	18,299
41 to 50 ..	598	257	372	..	..	47	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	600	257	419
51 to 60 ..	1,769	2,436	3,691	17	8	22	..	..	..	..	1	..	..	..	..	..	..	..	..	..	1	..	..	..	6	..	..	1,792	2,445	3,714
Above 60 ..	1,201	939	1,579	..	3	7	..	72	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,201	1,014	1,586
SINGLE COLOURED:—																														
1 to 20 ..	197	176	247	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	197	177	247
21 to 30 ..	216	220	321	..	..	..	..	..	..	..	..	..	2	..	..	..	..	..	9	13	..	..	..	..	..	..	..	227	233	321
31 to 40 ..	750	479	490	4	..	..	4	10	..	..	..	..	124	10	..	23	..	..	272	36	46	20	13	..	..	4	16	1,196	552	552
41 to 50 ..	49	42	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	4	..	..	..	..	49	48	15
Above 50 ..	221	175	208	..	..	..	..	..	..	..	..	..	12	..	..	..	..	..	4	4	16	1	2	..	10	..	..	248	181	224
White Bleached ..	3,688	3,153	3,576	484	445	650	2	4	10	..	..	..	5	6	..	..	..	..	2	..	..	..	..	..	2	6	2	4,132	3,614	4,238
Grey Folded ..	919	1,011	966	1,061	273	2,862	1,056	2,027	1,307	..	..	..	36	128	13	..	..	..	..	..	..	..	..	..	..	1	..	3,072	3,440	5,149
Coloured Folded ..	403	278	348	17	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	420	280	348
Mercerised ..	103	198	229	3,569	4,425	7,317	..	..	..	..	..	..	..	..	1	..	..	..	1	..	..	..	..	..	..	..	..	3,674	4,624	7,547
Artificial Silk ..	1,101	814	1,544	3	86	2,138	..	1	..	10	..	..	3,365	4,536	6,306	548	1,128	989	96	169	231	231	364	346	663	946	800	6,016	8,045	12,354
Unspecified Sorts ..	7	19	11	4	2	13	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	11	21	24
Rope ..	838	784	683	4	12	1	..	..	1	16	25	22	1	..	..	..	..	..	..	..	..	..	8	4	2	1	..	861	830	712
Sewing Thread ..	1,768	1,543	1,786	4	3	2	..	..	..	1	..	2	..	37	25	120	105	135	..	..	..	1	1	1	155	126	82	2,049	1,815	2,034
TOTAL ..	15,738	14,089	18,376	8,041	5,793	19,551	11,478	13,598	12,275	27	26	24	3,738	4,718	6,345	690	1,233	1,124	383	224	294	258	393	351	851	1,108	943	41,204	41,183	59,283

TABLE NO. 22.

SUMMARY OF IMPORTS OF COTTON YARN INTO BOMBAY.

(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hongkong.)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932
Grey Singles ..	1,948	385	781	723	69	2,123	1,764	2.936	2,500	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10	3	..	4,445	3,393	5,403
Coloured Singles	51	45	8	..	..	..	..	..	..	..	..	..	3	..	..	..	..	..	16	..	..	..	..	..	..	1	..	70	46	8
White Bleached	1,654	1,564	1,652	145	92	190	2	..	10	..	..	..	5	6	..	..	..	..	..	..	..	..	..	..	..	6	..	1,806	1,668	1,853
Grey Folded ..	814	910	887	887	240	2,023	503	1,225	695	..	..	..	36	128	13	..	..	..	..	..	..	..	..	..	..	1	..	2,240	2,504	3,618
Coloured Folded	50	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	50	6	..
Mercerised ..	98	183	194	2,946	3,940	6,143	..	..	..	..	..	..	..	..	1	..	..	..	1	..	..	..	..	..	..	..	..	3,045	4,123	6,338
Artificial Silk ..	450	381	561	3	79	1,495	..	1	..	..	..	..	2,095	3,760	4,278	140	636	474	73	167	216	72	89	213	255	427	440	3,087	5,540	7,675
Unspecified ..	4	15	9	..	2	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	17	10
Rope	733	716	557	4	12	1	..	..	1	16	25	22	1	..	..	..	..	..	..	..	..	..	7	4	..	1	..	755	762	535
Sewing Thread ..	614	540	673	1	..	..	..	..	..	..	..	1	..	..	..	80	65	88	..	..	..	..	1	..	52	55	53	747	661	816
TOTAL ..	6,416	4,744	5,321	4,708	4,433	11,976	2,269	4,162	3,206	16	25	23	2,140	3,895	4,292	220	700	562	90	167	216	72	98	216	317	495	494	16,248	18,720	26,306

TABLE No. 23.

DETAILED IMPORTS OF COTTON YARN INTO BOMBAY.

(In thousands of pounds.)

Description of Yarn.	United Kingdom.			Japan.			China (including Hong-kong.)			U. S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932
SINGLE GREY:—																														
1 to 10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10	..	..	10	..	..
11 to 20	..	..	4	16	2	574	7	14	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	.	23	17	578
21 to 30	107	8	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	107	8	10
31 to 40	829	195	445	696	65	1,548	1,757	2,921	2,500	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	3,282	3,183	4,492
41 to 50	422	69	95	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	422	69	96
51 to 60	316	65	162	11	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	327	67	162
Above 60	275	49	64	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	275	49	64
SINGLE COLOURED:—																														
1 to 20	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	1	..
21 to 30	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	..	..
31 to 40	31	23	2	..	..	..	..	..	..	..	..	..	3	..	..	..	..	..	16	..	..	..	..	..	..	..	..	50	23	2
41 to 50	13	22	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	13	22	6
Above 50	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
White, Bleached ..	1,654	1,564	1,652	145	92	190	2	..	10	..	..	..	5	6	..	..	..	..	..	..	..	..	..	..	..	6	..	1,806	1,668	1,853
Grey, Folded	814	910	887	887	240	2,023	503	1,225	695	..	..	..	36	128	13	..	..	..	..	..	..	..	..	..	..	1	..	2,240	2,504	3,618
Coloured, Folded ..	50	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	50	6	..
Mercerised	98	183	194	2,946	3,940	6,143	..	..	..	..	..	..	..	..	1	..	..	..	1	..	..	..	..	..	..	..	..	3,045	4,123	6,337
Artificial Silk	450	381	561	3	79	1,495	..	1	..	..	..	..	2,095	3,760	4,278	140	636	474	73	167	216	72	89	213	255	427	440	3,037	5,540	7,675
Unspecified sorts ..	4	15	9	..	2	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	17	10
Rope	733	716	557	4	12	1	..	..	1	16	25	22	1	..	..	..	..	..	..	..	..	..	7	4	..	1	..	755	762	585
Sewing Thread	614	540	673	1	..	..	..	..	..	..	..	1	..	..	..	80	65	88	..	..	..	..	1	..	52	55	53	747	661	816
TOTAL ..	6,416	4,744	5,321	4,708	4,433	11,976	2,269	4,162	3,206	16	25	23	2,140	3,895	4,292	220	700	562	90	167	216	72	98	216	317	495	494	16,248	18,720	26,306

TABLE NO. 24.

DETAILED EXPORTS FROM INDIA OF INDIAN-MADE YARN BY SEA.

(In thousands of pounds.)

Description.	European Countries.			China including Hongkong.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			Total.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
GREY YARN:—																																
1 to 10	368	876	678	720	70	..	600	483	54	2,024	799	1,206	254	153	121	559	485	562	419	176	245	1,561	2,728	1,475	138	266	25	23	47	10	6,667	6,083	4,375
11 to 20	252	270	112	14	90	4	1,159	1,387	508	949	748	2,560	101	102	109	593	1,017	1,994	1,155	976	799	3,819	5,156	4,518	6	2	1	1	29	29	8,049	9,777	10,633
21 to 30	..	12	12	..	4	..	18	10	18	5	1	92	1	12	..	13	28	69	144	129	88	13	6	4	..	..	..	..	..	..	193	203	283
31 to 40	..	2	..	..	..	..	..	..	7	2	..	180	..	..	..	..	..	13	2	35	2	1	..	4	..	..	24	..	..	..	5	37	230
Above 40	..	..	..	..	..	..	..	..	..	3	..	..	..	..	..	..	..	..	..	2	5	..	..	5	..	..	..	..	..	..	3	2	10
TOTAL GREY ..	619	1,160	802	734	164	4	1,778	1,880	587	2,984	1,548	4,038	356	266	229	1,164	1,530	2,638	1,719	1,319	1,138	5,395	7,891	6,006	144	268	50	24	76	39	14,917	16,102	15,531
COLOURED YARN:—																																
1 to 20	..	..	..	..	..	..	..	..	..	50	40	51	7	4	3	4	..	..	6	5	..	18	24	36	..	..	..	2	9	..	86	81	90
21 to 40	..	..	..	..	..	..	..	..	..	8	2	3	..	..	..	..	..	..	5	..	..	2	2	..	..	..	..	..	..	..	15	5	3
Above 40	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total Coloured ..	..	..	..	..	..	..	..	..	..	58	42	54	7	4	3	4	..	..	11	5	..	20	26	36	..	..	..	2	9	..	102	86	93
White Bleached	..	2	..	..	..	..	91	5	..	152	54	10	..	..	..	10	..	..	84	70	44	121	2	..	..	..	..	10	5	..	468	137	54
Grey Doubles	306	180	..	300	6	..	2,356	1,250	59	2,058	2,211	439	38	29	..	1,539	1,288	306	639	442	97	125	160	5	84	..	..	1	4	..	7,446	5,569	905
Coloured Doubles	..	..	..	..	..	..	..	..	..	1	2	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	1	..	1	4	..
Unspecified Descriptions ..	..	..	..	..	..	..	..	..	4	..	16	..	..	1	..	..	10	..	130	147	99	..	23	..	..	..	..	..	..	..	130	197	104
Sewing Thread	..	..	1	..	..	..	..	..	..	13	14	11	66	55	43	1	..	..	12	18	19	75	64	67	11	10	3	..	..	..	179	162	144
GRAND TOTAL ..	925	1,342	803	1,034	170	4	4,224	3,136	650	5,266	3,886	4,551	467	355	275	2,718	2,828	2,944	2,595	2,000	1,397	5,736	8,167	6,115	239	278	53	37	95	39	23,242	22,257	16,832

NOTE:—"Egypt and North Africa" include Tripoli and Tunis.
"Red Sea Ports" include Anglo-Egyptian Sudan, Abyssinia, British Somaliland, French Somaliland, Somaliland Protectorate, and Aden and Dependencies.
"East Africa" includes Italian East Africa, Somaliland and Eritrea, Kenya, Uganda, Tanganyaka Territory, Portuguese East Africa, Zanzibar and Pemba and Seychelles.
"Levant and Black Sea Ports" include Palestine, Syria, Smyrna and Asiatic Turkey.
"Ceylon and Straits Settlements and beyond" include Labuan, Java, Siam, Indo-China, Federated Malay States, Maldive Islands, Fiji Islands, Sumatra, Dutch Borneo, Celebes, Philippines and Formosa.
"Persian Gulf" includes Iraq, Muskat Territory and Trucial Oman, other Native States in Arabia, Persia and Bahrein Islands.
"South Africa" includes Natal, Transvaal, Cape of Good Hope, Mauritius and Madagascar.
"Other Countries" include Japan, America, Reunion Islands, New Zealand, Canada, British Guiana, and Australia.

TABLE No. 25.

DETAILED EXPORTS OF INDIAN-MADE YARN BY SEA FROM BOMBAY.

(In thousands of pounds.)

	European Countries.			China Including Hongkong.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			TOTAL.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
GREY YARN:—																																	
1 to 10	368	876	678	720	70	..	592	483	54	2,024	799	1,206	254	145	121	559	485	508	419	176	236	1,561	2,728	1,475	138	253	25	23	47	10	6,658	6,063	4,312
11 to 20	172	194	77	..	60	..	1,091	1,186	351	949	748	2,560	101	102	109	526	652	1,736	1,132	954	763	3,817	5,147	4,513	6	2	1	1	29	21	7,795	9,073	10,130
21 to 30	..	6	..	..	..	..	18	..	10	5	1	92	1	..	..	10	..	60	144	127	79	13	6	4	..	..	..	..	..	..	191	141	244
31 to 40	..	..	..	..	..	..	..	..	7	2	..	180	..	..	..	..	..	11	2	35	2	1	..	4	..	..	..	..	..	..	5	35	204
Above 40	..	..	..	..	..	..	..	..	..	3	..	..	..	..	..	..	..	..	..	2	..	..	..	5	..	..	..	..	..	..	3	2	5
TOTAL GREY ..	539	1,076	755	720	130	..	1,701	1,669	421	2,984	1,548	4,038	356	247	229	1,095	1,137	2,314	1,696	1,294	1,079	5,393	7,881	6,002	144	255	26	24	76	31	14,652	15,313	14,895
COLOURED YARN:—																																	
1 to 20	..	..	..	..	..	..	..	..	..	50	40	51	6	4	3	4	..	..	6	5	..	18	23	36	..	..	..	2	9	..	62	80	90
21 to 40	..	..	..	..	..	..	..	..	..	8	2	2	..	..	..	..	..	..	5	..	..	2	2	..	..	..	..	..	..	..	85	5	2
Above 40	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL COLOURED ..	..	..	..	..	..	..	..	..	..	58	42	53	6	4	3	4	..	..	11	5	..	20	26	36	..	..	..	2	9	..	102	85	92
White Bleached	..	2	..	..	..	..	91	3	..	152	53	10	..	..	..	10	..	..	81	69	44	121	2	..	..	..	..	8	5	..	463	134	54
Grey Doubles	306	152	..	300	6	..	2,356	1,250	59	2,058	2,211	439	38	29	..	1,539	1,288	306	639	440	97	125	160	5	84	..	..	1	4	..	7,445	5,539	905
Coloured Doubles.. ..	..	..	..	..	..	..	..	..	..	1	2	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	1	4	..
Unspecified Descriptions ..	..	..	..	..	..	..	..	..	..	..	16	..	..	1	..	..	10	..	..	..	..	..	23	..	..	..	..	..	..	..	..	50	..
Sewing Thread	..	..	1	..	..	..	..	..	..	13	14	11	66	55	43	1	..	..	12	16	8	75	64	67	11	10	3	..	..	..	178	159	133
GRAND TOTAL ..	845	1,230	756	1,020	136	..	4,148	2,922	480	5,267	3,886	4,560	467	335	275	2,649	2,435	2,620	2,439	1,824	1,228	5,733	8,157	6,110	239	265	29	35	95	31	22,841	21,286	16,079

See foot-note to Table 24.

TABLE No. 26.

SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO INDIA.

(In thousands of Yards.)

—	United Kingdom.			Japan.			China (including Hongkong.)			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931	1932.
Grey Plain	40,471	26,690	29,687	210,385	133,043	189,071	2,990	2,416	3,263	486	364	443	340	11	4	1	..	..	..	..	..	2	..	..	76	93	30	254,752	162,618	222,498
Grey Bordered ..	250,310	28,050	59,566	55,003	68,901	53,786	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	..	..	..	..	3	..	305,313	86,954	113,358
White Bleached ..	305,433	197,682	268,710	25,666	53,778	109,783	30	15	10	1,762	639	283	1,535	859	841	5,221	3,594	2,781	7,624	4,954	7,031	145	119	64	2,300	1,295	1,629	349,715	262,935	391,132
Printed	92,043	44,339	88,215	33,963	41,997	128,857	76	1	2	99	194	59	5,522	4,511	2,888	1,287	1,022	783	125	37	38	211	36	27	718	218	539	134,044	92,356	221,408
Dyed	75,612	49,621	85,965	27,251	29,090	4,347	320	165	209	4,178	1,643	503	3,380	3,108	3,593	4,426	1,605	1,291	576	1,144	2,459	195	206	139	875	849	900	116,814	87,429	139,405
Woven Coloured ..	29,010	4,380	9,711	38,126	19,492	26,049	91	4	2	178	1	18	3,154	2,328	1,705	5,915	777	622	257	66	71	368	329	443	982	285	228	78,082	27,662	38,850
Fents of all descriptions	4,566	5,514	9,649	33	90	333	..	1	2	9,995	15,495	18,240	78	73	9	10	8	1	98	42	182	40	117	21	25	80	146	14,846	21,420	28,583
Towels in the piece ..	3	1	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	..	..	9	1	4
Piecegoods of Cotton and Artificial Silk..	3,918	1,326	3,226	32,989	72,141	106,906	1,403	232	47	53	2	11	7,604	5,763	4,435	98	26	2	5,685	2,412	458	431	229	294	2,025	904	866	54,206	83,034	116,245
Canvas	355	238	394	228	274	482	..	..	..	1	1	1	418	34	124	10	7	1	..	..	..	11	84	66	64	2	2	1,087	640	1,070
TOTAL ..	801,720	357,839	551,127	423,645	408,806	659,613	4,910	2,833	3,535	16,752	18,340	19,559	22,032	16,687	13,599	16,968	7,038	5,481	14,366	8,655	10,244	1,403	1,121	1,055	7,072	3,730	4,339	1,308,868	825,049	1,272,554

TABLE No. 27.

DETAILED IMPORTS OF COTTON PIECEGOODS INTO INDIA.

(In thousands of Yards.)

	United Kingdom.			Japan.			China (including Hongkong.)			U.S.A.			Italy.			Netherlands.			Switzerland.			Germany.			All other Countries.			Total.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1962.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
GREY (UNBLEACHED).																														
PLAIN GREY.																														
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saris & Scarves ..	27	201	403	..	..	..	..	20	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	27	221	403
Drills & Jeans	79	51	37	4,962	2,480	1,236	8	16	..	356	312	443	..	..	..	4	..	..	..	..	..	..	1	..	..	4	3	..	5,410	2,862	1,721
Flannels & Flannelettes ..	22	4	..	..	..	..	..	..	..	..	..	..	276	..	..	..	..	..	..	..	..	..	..	..	..	..	..	298	4	..
Jaconets including Madapollams, etc.	29,263	22,234	24,186	106	30	96	..	..	..	..	..	..	52	..	..	..	..	..	..	..	..	..	..	..	..	..	1	29,422	22,264	24,283
Longcloth & Shirtings ..	9,896	2,702	3,807	200,800	126,545	184,003	2,844	1,681	3,164	40	..	..	..	..	..	..	..	..	..	..	..	..	..	..	20	41	9	213,608	130,970	190,983
Printers	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	..	..
Sheetings	2	..	6	4,227	3,956	3,722	138	699	99	90	53	..	2	..	..	..	..	..	..	..	..	..	1	..	..	11	7	..	4,471	4,715	3,827
T-cloth & Domestics ..	4	..	14	785	26	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	89	27	14
Unspecified Descriptions ..	1,171	1,497	1,233	205	5	14	..	..	..	..	..	..	10	11	..	..	..	..	..	1	..	..	..	..	..	..	..	41	42	19	1,430	1,556	1,267
Total Plain Grey ..	40,471	26,690	29,687	210,385	133,043	189,071	2,990	2,416	3,263	486	364	443	340	11	4	1	..	..	1	..	..	2	..	..	76	93	30	254,752	162,618	222,498
BORDERED GREY.																														
Chadars	317	5	45	..	18	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	317	23	45
Dhutis, Saris & Scarves ..	249,915	28,042	59,521	55,003	58,883	53,754	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	..	..	..	..	..	3	..	304,917	86,928	113,280
Drills & Jeans	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..
Flannel & Flannelettes ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets, etc.	75	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	75	..	..
Longcloth & Shirtings ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloths & Domestics ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Descriptions ..	2	2	..	..	..	33	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	2	33
Total Bordered Grey ..	250,310	28,050	59,566	55,003	58,901	53,786	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	..	..	..	..	..	3	..	305,313	86,954	113,358
Total Grey Unbleached ..	290,781	54,740	89,253	265,388	191,944	242,857	2,990	2,416	3,363	486	364	443	340	11	4	1	..	..	1	..	5	2	..	..	76	96	30	560,065	249,572	335,856
WHITE BLEACHED.																														
Chadars	85	..	17	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	85	..	17
Checks, Spots & Stripes ..	4,735	2,569	6,317	9	4	39	..	..	..	69	..	..	174	..	4	..	..	..	1,726	364	64	..	..	..	333	2	1	7,046	2,939	6,426
Dhutis, Saris & Scarves ..	20,921	2,843	2,629	..	2	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	20,921	2,845	2,636
Drills & Jeans	2,537	1,510	2,939	2,179	2,157	1,949	..	..	..	..	..	9	..	..	..	..	..	..	..	..	..	..	..	..	1	27	21	4,767	3,694	4,918
Flannel & Flannelettes ..	2	2	3	55	100	64	..	..	..	..	..	..	..	..	..	..	1	1	..	..	..	..	..	..	..	..	..	57	102	68
Jaconets, Madapollams, etc.	4,492	2,089	8,015	927	665	1,603	..	..	..	1,582	579	274	584	743	656	391	86	212	4,638	3,647	5,643	11	8	4	1,649	852	1,031	14,273	8,669	17,438
Lawns	7,056	4,675	14,842	20	4	88	..	..	..	..	..	..	76	90	120	..	1	..	153	77	171	3	..	7	36	20	43	7,344	4,867	15,272
Longcloth & Shirtings ..	70,381	33,218	41,523	16,267	35,224	65,165	19	13	10	5	2	..	380	15	35	4,760	3,405	2,512	18	..	2	15	..	..	39	26	78	91,884	71,903	109,325
Mulls	148,914	139,180	175,777	514	3,201	18,417	..	..	..	..	..	..	146	..	..	20	..	..	..	4	..	11	5	..	3	2	30	149,462	142,391	194,224
Nainsooks	33,965	7,928	7,122	4,937	11,569	20,262	..	..	..	..	8	..	92	..	21	..	..	..	983	824	1,097	..	..	..	3	..	1	40,034	20,329	28,504
Sheetings	57	69	39	..	..	..	8	..	..	..	..	..	6	..	..	18	19	..	..	..	..	..	..	..	..	1	..	175	89	39
T-cloths & Domestics ..	3	..	..	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	14	1	..
Twills	10,965	2,451	7,807	425	779	2,044	..	..	..	..	..	..	..	..	..	32	75	56	21	1	18	..	2	..	5	..	13	11,448	3,309	9,938
Unspecified Descriptions ..	1,272	1,147	1,679	328	74	147	2	1	..	107	50	1	75	12	5	..	8	..	86	36	36	105	103	52	231	365	409	2,206	1,797	2,327
Total White Bleached ..	305,433	197,682	268,710	25,666	53,778	109,783	30	15	10	1,762	639	283	1,535	859	841	5,221	3,594	2,781	7,624	4,954	7,031	145	119	64	2,301	1,295	1,629	349,715	262,935	391,132

COLOURED, PRINTED OR DYED.																														
PRINTED GOODS.																														
Cambrics, etc.	7,098	2,909	5,982	84	68	241	..	..	..	69	143	33	2	22	..	16	4	2	3	1	1	8	2	..	1	6	143	7,281	3,153	6,402
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	29	..	..	..	..	22	565	266	1,372
Checks, Spots & Stripes ..	415	218	968	121	47	381	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	36
Dhutis	..	..	2	..	..	34	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	17	5	..	23,067	18,855	49,420
Drills & Jeans	7,171	4,558	8,710	15,839	14,293	40,682	39	..	..	..	..	..	..	..	28	..	..	..	..	..	..	..	..	..	9	..	..	3,176	3,977	9,767
Flannel & Flannelettes ..	21	10	35	2,523	3,144	9,237	..	..	..	..	..	..	623	823	496	..	..	..	..	..	..	..	..	..	30	1	..	5,076	4,677	12,438
Lungis	4,456	2,817	8,350	166	1,151	3,635	..	..	..	..	..	..	..	153	..	420	553	446	..	..	7	5	..	..	33	19	18	39,609	18,081	103,881
Prints & Chintz	34,529	12,528	27,652	3,929	5,108	16,147	10	..	2	..	49	26	913	314	13	2	10	2	89	18	24	104	34	..	5	4	..	20,088	6,231	14,428
Saris & Scarves	19,831	5,883	12,472	247	328	1,947	..	..	..	5	..	..	..	15	..	..	..	7	..	..	2	..	..	..	1	15	..	1,747	866	3,653
Sateens	1,698	694	2,694	47	156	914	..	..	..	..	..	..	..	..	45	..	..	..	..	..	..	1	..	..	1	1	..	1,747	866	3,653
Shirtings	13,357	13,418	18,759	10,649	17,128	53,281	11	1	..	..	..	..	118	157	165	8	..	1	..	..	..	4	..	26	16	20	246	24,162	30,724	72,479
Twills	2,180	614	1,410	92	5	486	..	..	..	..	1	..	2,763	3,020	2,141	..	..	..	..	9	..	..	..	..	..	..	..	6,036	3,647	4,033
Woven Lungis & Sarongs ..	499	187	540	179	404	1,002	..	..	..	..	..	..	..	..	..	840	455	323	33	10	3	..	..	..	589	137	103	2,142	1,194	1,971
Unspecified Descriptions ..	787	502	640	87	165	870	16	..	..	25	..	..	104	8	..	..	..	3	..	..	..	61	..	..	16	10	6	1,096	686	1,520
Total Printed Goods ..	92,043	44,339	88,215	33,963	41,997	128,857	75	1	2	99	194	59	5,522	4,511	2,888	1,287	1,022	783	125	37	38	211	36	27	719	218	539	134,044	92,356	221,408
DYED GOODS.																														
Cambrics, etc.	14,315	10,053	23,984	75	11	57	..	..	..	4,041	1,480	374	74	289	172	754	264	19	377	1,090	2,390	3	2	7	163	121	310	19,803	13,310	27,313
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	..	79	1	24	6,754	2,019	5,230
Checks, Spots & Stripes ..	5,961	1,590	4,382	491	371	765	1	..	..	..	..	..	28	26	55	55	8	3	138	18	..	..	..	..	..	..	..	22	66	159
Dhutis	22	66	159	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	1	..	15	23	8,370	8,508	10,401
Drills and Jeans	2,416	2,392	1,964	5,904	6,075	8,408	..	1	..	..	..	..	6	1	..	44	22	..	..	..	..	..	..	4	..	3	..	2,699	4,956	8,177
Flannel & Flannelettes ..	24	267	60	2,395	4,646	8,012	9	9	1	..	..	..	269	30	100	1	..	..	..	..	..	..	7	4	73	34	52	13,383	11,259	21,123
Italian Cloths & Sateens ..	12,022	9,680	19,516	347	537	799	1	..	12	..	..	..	913	997	701	6	..	..	20	3	38	..	..	..	5	3	3	30	155	602
Lungis	10	75	309	4	58	291	..	..	..	..	..	..	..	..	..	11	19	..	..	..	..	..	..	..	9	16	16	3,233	3,156	4,237
Prints & Chintz	2,854	2,429	3,770	361	710	451	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	8	..	..	13	23	53	2,913	1,304	1,300
Saris & Scarves	2,811	1,196	1,204	..	24	11	..	..	..	..	..	..	7	8	12	81	31	..	1	22	20	..	1	3	28	98	68	33,749	21,142	29,763
Shirtings	18,147	8,239	12,085	12,106	11,739	16,208	87	57	123	..	..	..	178	45	84	3,201	962	1,192	..	..	..	1	1	11	..	7	7	12,202	12,313	16,030
Twills	8,597	7,926	9,450	2,032	2,966	4,921	..	..	..	1	..	9	1,565	1,399	1,630	..	15	2	..	..	..	6	..	..	..	1	2	372	417	521
Woven Lungis & Sarongs ..	155	72	76	13	173	441	..	..	..	..	..	..	1	..	2	202	172	1	..	..	..	..	..	..	..	..	..	1	2	1
Unspecified Descriptions ..	8,276	5,637	9,006	3,521	1,780	3,984	222	97	72	135	163	119	339	312	837	70	111	75	40	11	10	175	187	111	505	527	336	13,283	8,825	14,551
Total Dyed Goods ..	75,612	49,621	85,965	27,251	29,090	44,347	320	164	209	4,178	1,643	503	3,380	3,108	3,593	4,426	1,605	1,291	576	1,144	2,459	195	206	139	875	850	900	116,814	87,429	139,405
WOVEN COLOURED GOODS.																														
Cambrics, etc.	809	82	227	12	..	..	..	..	..	..	..	..	152	4	14	42	15	21	127	40	46	..	8	..	12	15	22	1,154	164	330
Chadars	14	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	14	..	2
Checks, Spots, etc.	7,495	974	2,822	3,537	1,414	1,344	..	2	..	13	..	..	267	50	5	73	..	..	..	..	..	1	..	..	15	19	25	11,401	2,459	4,197
Coatings & Trouserings ..	1,282	709	941	179	325	951	56	1	2	8	..	..	1,113	1,131	1,269	53	31	..	..	3	4	17	19	12	372	114	103	3,079	2,333	3,283
Dhutis	185	31	96	1,046	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,232	31	96
Drills & Jeans	677	31	30	15,276	5,860	6,174	..	..	..	..	..	..	6	31	22	26	..	..	..	..	..	12	..	..	30	..	..	16,027	5,922	6,226
Flannel & Flannelettes ..	393	128	195	628	276	896	..	..	..	..	..	..	175	708	123	..	..	..	..	..	..	6	5	..	1	..	..	1,202	1,118	1,215
Lungis & Sarongs	3,720	394	890	3,091	6,135	7,356	..	..	..	..	..	..	..	1	..	5,568	576	480	..	13	..	6	..	..	20	..	..	12,405	7,118	8,732
Prints & Chintz	17	6	6	..	..	18	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	17	6	24
Saris & Scarves	1,723	376	95	..	..	..	..	..	..	3	..	13	5	..	..	12	..	..	37	..	..	7	..	..	..	4	..	1,787	380	108
Shirtings	6,167	1,331	3,915	9,074	3,637	4,601	29	1	..	..	..	..	907	388	247	54	97	112	..	..	..	44	..	2	337	16	6	16,614	5,471	8,883
Twills	511	5	55	3,516	1,286	2,157	..	..	..	..	..	..	2	..	..	..	..	..	..	..	..	..	..	..	62	..	..	4,091	1,291	2,212
Velvets & Velveteens ..	476	129	278	394	455	2,150	2	..	..	..	..	..	21	8	2	3	55	1	..	..	..	166	255	419	8	7	11	1,070	910	2,862
Unspecified Descriptions ..	5,541	185	159	1,374	103	402	4	..	..	154	1	6	506	7	23	84	3	1	93	11	21	108	42	10	125	108	60	7,990	459	681
Total Woven Coloured.	29,010	4,380	9,711	38,126	19,492	26,049	91	4	2	178	1	19	3,154	2,328	1,705	5,915	777	622	257	66	71	368	329	443	982	285	228	78,082	27,662	38,850
Total Coloured, Printed or Dyed	196,664	98,340	183,891	99,340	90,579	199,253	486	170	213	4,455	1,838	580	12,056	9,947	8,185	11,628	3,404	2,697	959	1,248	2,568	774	571	609	2,576	1,352	1,666	328,940	207,447	399,663
Fents of all Descriptions ..	4,566	5,514	9,649	33	90	333	..	..	2	9,995	15,495	18,240	78	73	9	10	8	1	98	42	182	40	117	21	25	80	146	14,846	21,420	28,583
TOTAL PIECEGOODS.	797,444	356,276	551,503	390,427	336,391	552,226	3,506	2,601	3,488	16,698	18,336	19,547	14,010	10,890	9,040	16,860	7,006	5,479	8,681	6,244	9,787	961	807	695	4,978	2,823	3,470	1,253,566	741,374	1,155,234
Towels in the Piece.. ..	3	1	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	—	..	..	..	..	..	6	..	..	9	1	4
Piecegoods of Cotton and Artificial Silk	3,918	1,326	3,226	32,989	72,141	106,906	1,403	232	47	53	2	11	7,604	5,763	4,435	98	26	2	5,685	2,412	458	431	229	294	2,025	904	866	54,206	83,034	116,245
Canvas	355	238	394	228	274	482	..	..	..	1	1	1	418	34	124	10	7	1	..	..	..	11	84	66	64	2	2	1,087	640	1,070
TOTAL ..	801,720	357,839	555,127	423,645	408,806	659,613	4,910	2,833	3,535	16,752	18,340	19,559	22,032	16,687	13,599	16,968	7,038	5,481	14,366	8,655	10,244	1,403	1,121	1,055	7,072	3,730	4,339	1,308,868	825,049	1,272,554

TABLE No. 28.

DETAILED IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.

(In Thousands of Yards.)

	United Kingdom.			Japan.			China (including Hongkong.)			U. S. A.			Italy.			Netherlands.			Switzerland.			Germany.			Other countries.			Total.		
	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932	1930	1931	1932
GREY (Unbleached):—																														
Plain Grey:—																														
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhutis, Saries, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Drills and Jeans	24	23	18	1,869	815	407	..	..	..	220	213	407	..	..	..	..	..	..	..	..	..	1	..	..	..	3	..	2,114	1,054	832
Flannels and Flannelettes	..	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	..
Jaconets	9,813	9,330	11,680	101	30	96	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	9,915	9,360	11,775
Longcloth	3,925	832	1,092	67,465	40,210	63,740	241	160	1,499	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	9	71,631	41,208	66,340
Printers	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	6	..	..
Sheetings	1	..	1	1,982	3,900	3,571	13	675	99	90	53	..	..	..	..	..	..	..	..	..	..	1	..	..	4	7	..	2,090	4,635	3,671
T-cloth and Domestics	..	..	..	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10	..	..
Unspecified Sorts	419	960	791	..	..	1	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	421	960	792
TOTAL PLAIN GREY ..	14,188	11,148	13,582	71,427	44,956	67,815	255	835	1,598	310	265	407	..	..	..	1	..	..	..	..	..	2	..	..	4	16	9	86,186	57,220	83,411
BORDERED GREY:—																														
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Dhuties, etc.	7,896	121	2,154	2,293	242	100	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10,189	363	2,254
Drills and Jeans	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..
Flannels, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Jaconets etc.	18	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	18	..	..
Longcloth, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Printers	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Sheetings	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
T-cloth, etc.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified Sorts	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..
TOTAL BORDERED GREY.	7,917	121	2,154	2,293	242	100	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10,210	363	2,254
TOTAL GREY	22,104	11,269	15,736	73,720	45,198	67,915	255	835	1,598	310	265	407	..	..	..	1	..	..	..	..	..	2	..	..	4	16	9	96,396	57,583	85,665
WHITE BLEACHED:—																														
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Checks, etc.	470	146	763	..	3	32	..	..	..	34	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	505	149	795
Dhutis, etc.	3,785	196	98	..	..	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3,785	196	102
Drills and Jeans	1,777	782	1,760	77	34	45	..	..	..	..	..	9	..	..	..	..	..	..	..	..	..	..	..	..	..	26	2	1,854	843	1,817
Flannels, etc.	1	1	..	19	24	40	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	20	25	41
Jaconets, etc.	857	371	2,378	152	186	724	..	..	..	588	155	70	361	544	394	42	6	..	486	1,281	2,137	9	1	4	55	318	452	2,550	2,862	6,160
Lawns	275	140	183	..	3	38	..	..	..	..	..	..	74	90	118	..	..	..	121	77	171	3	..	7	27	20	44	500	331	560
Longcloth	13,681	4,856	7,647	3,815	5,923	19,578	..	..	..	1	..	..	1	..	..	1,358	1,574	865	11	..	2	15	..	..	7	..	4	18,889	12,352	28,095
Mulls	19,881	13,249	15,565	208	951	7,159	..	..	..	..	..	..	..	..	..	20	..	..	..	..	..	11	5	..	..	..	10	20,120	14,205	22,734
Nainsooks	5,051	400	644	2,462	2,508	4,952	..	..	..	..	..	..	146	..	21	..	..	..	969	824	999	..	..	..	1	..	1	8,629	3,732	6,617
Sheetings	13	14	9	..	..	..	..	..	..	..	..	..	..	..	..	17	19	..	..	..	..	..	..	..	..	..	..	31	33	9
T-cloth, etc.	3	..	1	4	..	..	..	..	..	..	..	..	6	..	..	..	..	..	..	..	..	..	..	..	..	..	..	14	1	1
Twills	2,371	676	1,567	4	..	8	..	..	..	..	..	..	..	..	..	16	57	..	21	1	..	..	2	..	4	..	..	2,416	735	1,576
Unspecified Sorts	327	37	204	1	..	..	1	1	..	1	..	1	20	8	3	..	..	..	27	23	19	84	99	51	102	70	167	562	238	444
TOTAL WHITE BLEACHED..	48,493	20,869	30,820	6,742	9,631	32,579	1	1	..	624	155	79	610	643	537	1,454	1,654	866	1,634	2,207	3,328	122	108	63	198	435	679	59,876	35,702	68,951

COLOURED, PRINTED OR DYED.																																	
PRINTED GOODS:—																																	
Cambrics	3,037	468	1,520	52	1	218	..	..	..	47	142	33	..	2	..	..	..	..	1	..	..	..	2	..	..	2	..	3,137	617	1,771
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Checks, etc.	49	23	226	..	..	329	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	21	49	23	576
Dhutis, etc.	..	..	..	..	..	34	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	34
Drills and Jeans	1,192	629	2,079	4,803	3,276	19,278	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	17	5	..	6,012	3,916	21,357
Flannels, etc.	3	9	32	129	582	1,899	..	..	..	..	..	..	198	..	..	..	..	..	..	..	..	..	..	..	..	9	..	..	340	591	1,931
Lungis	..	..	5	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	5
Prints and Chintz	18,890	7,595	18,912	1,260	2,218	7,367	..	..	..	..	49	25	623	32	13	..	..	1	1	80	9	24	1	..	..	..	6	1	26,854	9,911	26,344
Saries and Scarves	7,342	889	5,209	205	5	23	..	..	..	..	..	..	..	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	7,547	909	5,234
Sateens	957	24	480	23	2	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	..	..	1	..	..	981	27	491
Shirtings	1,040	400	614	3,525	7,792	24,168	..	..	..	..	..	..	..	43	..	..	8	..	1	..	..	..	2	..	..	26	12	17	5	4,585	8,252	24,813
Twills	346	136	352	..	..	341	..	..	..	..	1	..	175	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	521	137	693
Woven Lungis, etc.	..	..	12	..	..	15	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	28
Unspecified	283	83	382	..	4	177	..	..	..	..	..	..	..	..	..	..	..	..	3	..	..	..	7	..	..	..	..	2	1	290	88	563
TOTAL PRINTED	33,138	10,256	29,822	9,995	13,880	53,860	..	..	..	47	192	58	996	92	13	9	1	5	81	9	26	10	2	26	39	32	28	44,316	24,465	83,839
DYED GOODS:—																																	
Cambrics	5,055	1,649	6,224	..	11	..	..	..	..	3,007	1,151	304	24	254	149	100	2	..	71	712	1,934	2	1	7	17	65	293	8,277	3,846	8,911
Chadars	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Checks, etc.	2,252	437	1,597	5	5	84	1	..	..	..	..	..	8	26	46	..	..	..	31	3	..	..	..	6	..	1	..	16	2,299	476	1,744
Dhutis	..	..	..	..	..	..	..	..	..	..	..	..	5	..	..	..	..	..	..	..	..	..	..	..	..	..	2	..	2,264	1,923	2,347
Drills and Jeans	1,807	1,435	1,555	453	486	791	..	..	..	..	..	..	29	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	455	1,038	2,047
Flannels, etc.	6	5	16	419	1,032	2,030	..	..	..	..	..	..	448	98	177	..	..	..	2	3	38	..	..	..	3	15	4	5,069	2,930	7,326
Italian Cloth	4,542	2,681	7,034	73	132	73	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Lungis	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	62	54	100
Prints and Chintz	62	42	100	..	12	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	42	40	105
Saries and Scarves	40	..	20	..	..	11	..	..	..	..	..	..	1	7	12	..	..	..	1	..	20	..	..	..	..	12	43	..	8,324	4,458	6,414
Shirtings	6,665	3,543	4,743	1,605	880	1,657	..	..	..	..	..	..	..	29	..	50	4	3	..	21	..	1	1	1	2	..	10	..	4,821	3,149	5,117
Twills	3,929	2,273	3,740	221	169	357	..	..	..	1	1	9	664	702	995	..	..	..	..	..	..	6	..	11	..	4	5	..	29	9	86
Woven Lungis	28	9	23	..	..	62	..	..	..	..	..	..	1	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	2,315	1,412	2,411
Unspecified	1,229	244	583	874	982	1,619	1	1	1	33	86	89	21	12	50	..	..	..	40	10	10	54	43	16	64	33	43			
TOTAL DYED	25,614	12,318	25,635	3,650	3,710	6,685	2	1	1	3,042	1,238	403	1,200	1,127	1,429	150	6	4	146	749	2,002	64	52	35	89	132	414	33,958	19,334	36,607
WOVEN COLOURED:—																																	
Cambrics	183	6	10	..	..	..	..	..	..	..	..	..	4	..	3	..	..	..	..	..	32	..	..	..	..	..	..	187	6	45
Chadars	..	..	2	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	8	..	..	5,723	417	1,634
Checks, etc.	4,881	326	1,303	554	80	325	..	..	..	13	..	..	197	10	5	69	..	..	..	..	..	7	7	..	175	80	30	1,101	359	747
Coatings, etc.	428	215	376	..	19	117	..	..	..	8	..	..	482	45	217	..	..	..	..	..	..	12	..	..	30	..	..	6,783	1,963	4,388
Dhutis	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	3	..	..	284	102	43
Drills and Jeans	6	..	9	6,736	1,963	4,379	..	..	..	..	..	..	113	33	..	..	1	..	..	13	..	..	..	..	3	..	..	220	23	1
Flannels, etc.	148	69	43	24	..	..	..	..	..	..	..	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	16	..	3
Lungis and Sarongs	216	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	32	4	13
Prints and Chintz	15	..	3	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	..	2,692	142	836
Saries and Scarves	29	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	61	..	6	2,241	466	1,598
Shirtings	1,552	86	136	1,001	52	693	..	..	..	3	..	13	..	..	..	..	..	..	..	..	..	..	..	..	62	..	..	456	416	1,102
Twills	15	3	..	2,163	462	1,598	..	..	..	..	..	..	70	..	..	7	4	1	..	..	..	1	..	..	61	95	43	287	113	126
Velvets	227	58	155	114	231	770	..	..	..	..	..	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Unspecified	156	16	21	32	..	48	..	..	..	..	..	..	15	8	3	..	..	..	..	..	..	94	111	165	7	7	9	20,022	4,012	10,536
TOTAL WOVEN	7,855	792	2,059	10,624	2,807	7,930	..	..	..	24	..	13	24	1	13	14	..	..	..	..	..	1	..	..	61	95	43	98,296	47,811	130,982
TOTAL COLOURED, PRINTED & DYED	66,608	23,366	57,516	24,269	20,397	68,474	2	1	1	3,113	1,430	474	3,101	1,318	1,683	250	12	11	227	771	2,067	190	165	225	535	351	529	12,839	12,828	24,551
Fents of all kinds	3,190	3,749	7,767	25	89	124	..	..	2	9,404	8,790	16,321	78	73	9	..	..	..	96	42	182	21	6	5	25	79	141	140,396	59,253	111,838
TOTAL PIECEGOODS	140,396	59,253	111,838	104,757	75,314	169,093	257	838	1,601	13,451	10,641	17,282	3,790	2,033	2,228	1,705	1,666	877	1,956	3,019	5,577	334	280	295	762	881	1,358	267,408	153,924	310,148
Towels in the Piece	3	1	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	1	4
Piecegoods of Cotton and Artificial Silk	1,720	598	1,760	17,997	43,461	74,092	1,240	152	30	17	..	10	3,389	2,674	2,423	31	3	1	4,811	2,387	323	219	60	82	1,099	667	498	30,522	50,003	79,219
Canvas	177	65	109	93	95	127	..	..	..	..	..	..	296	22	72	9	6	..	..	..	..	20	30	8	3	..	..	597	218	317
GRAND TOTAL	142,296	59,917	113,711	122,846	118,870	243,312	1,497	990	1,630	13,468	10,641	17,291	7,475	4,729	4,723	1,744	1,675	878	6,767	5,406	5,900	573	369	385	1,863	1,549	1,857	298,530	204,146	389,688

TABLE No. 29.

SUMMARY OF IMPORTS OF COTTON PIECEGOODS INTO BOMBAY.

(In thousands of yards.)

	United Kingdom.			Japan.			China (including Hongkong).			U.S. of America.			Italy.			Netherlands.			Switzerland.			Germany.			Other Countries.			Total.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
Grey Plain	14,188	11,148	13,582	71,427	44,956	67,815	255	835	1,598	310	265	407	..	..	..	1	..	..	..	..	..	2	..	..	4	16	9	86,186	57,220	83,411
Grey Bordered ..	7,917	121	2,154	2,293	242	100	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	10,210	363	2,254
White Bleached ..	48,493	20,869	30,820	6,742	9,631	32,579	..	1	..	624	155	79	611	643	537	1,454	1,654	866	1,634	2,207	3,328	122	108	64	197	435	679	59,876	35,702	68,951
Printed	33,138	10,256	29,822	9,995	13,880	53,860	..	..	..	47	192	58	996	92	13	9	1	5	81	9	27	10	2	26	40	32	28	44,316	24,465	83,839
Dyed	25,614	12,318	25,635	3,650	3,710	6,685	2	1	1	3,042	1,238	403	1,200	1,128	1,429	150	6	4	146	749	2,002	64	52	35	89	132	414	33,958	19,334	36,607
Woven Coloured ..	7,855	792	2,059	10,624	2,807	7,930	..	..	..	24	..	13	905	97	241	91	5	2	..	13	39	116	111	165	407	187	88	20,022	4,012	10,536
Fents of all descriptions	3,190	3,749	7,767	25	89	124	..	..	2	9,404	8,790	16,321	78	73	9	.. ..	..	..	96	42	182	21	6	5	25	79	141	12,839	12,828	24,551
Towels in the piece ..	3	1	4	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	4	1	4
Piecegoods of Cotton and Artificial Silk ..	1,720	598	1,760	17,997	43,461	74,092	1,240	152	30	17	..	10	3,389	2,674	2,423	31	3	1	4,811	2,387	323	219	60	82	1,099	667	498	30,522	50,003	79,219
Canvas	177	65	109	93	95	127	..	..	..	..	..	..	296	22	72	9	6	..	..	..	..	20	30	8	3	..	..	597	218	317
TOTAL ..	142,296	59,917	113,711	122,846	118,870	243,312	1,497	990	1,630	13,468	10,641	17,291	7,475	4,729	4,723	1,744	1,675	878	6,767	5,406	5,900	573	369	385	1,863	1,549	1,857	298,530	204,146	389,688

TABLE No. 30.

EXPORTS OF COTTON PIECEGOODS OF INDIAN MANUFACTURE FROM BRITISH INDIA.

(In thousands of yards.)

Description.	European Countries.			China.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			Total.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
GREY (UNBLEACHED):—																																
Chadars and Dhutis ..	..	2	1	..	..	..	..	..	..	232	121	129	1,953	1,676	1,844	..	..	..	123	106	43	62	38	25	5	11	4	1	..	..	2,274	1,953	2,046
Drills and Jeans ..	10	..	..	..	..	..	..	..	..	41	25	11	24	4	98	..	..	..	38	15	44	30	83	..	..	..	..	..	..	5	109	128	158
T-cloths and Domestics .	..	..	122	..	..	..	..	..	..	716	763	251	606	25	2	4	..	..	5	..	21	105	2	..	..	..	..	..	..	..	1,435	790	396
Shirtings	1	..	..	..	..	..	135	..	..	651	413	316	2,764	3,866	1,312	..	..	..	44	40	137	240	175	245	58	12	120	..	..	..	3,875	4,506	2,130
Other Sorts	90	43	13	..	1	3	547	453	122	763	397	156	873	314	211	4	..	..	150	128	256	401	110	28	59	44	39	66	31	69	2,858	1,521	898
TOTAL GREY ..	100	44	137	..	1	3	682	453	122	2,403	1,718	862	6,219	5,886	3,467	8	..	..	360	290	502	838	409	298	122	67	163	67	31	74	10,551	8,898	5,628
WHITE (BLEACHED):—																																
Chadars and Dhutis ..	..	..	4	..	..	..	..	..	..	..	4	5	4	..	1	..	..	..	109	25	26	..	..	..	..	..	..	..	..	..	113	28	36
Drills and Jeans ..	..	..	3	..	..	..	..	..	..	5	..	..	6	2	1	..	..	..	..	5	2	4	19	12	3	2	..	1	1	..	19	28	19
T-cloths and Domestics..	..	..	..	..	..	..	..	..	..	1	..	..	22	..	..	..	..	..	11	9	4	6	..	..	..	..	..	..	..	..	40	10	4
Shirtings	..	..	..	..	..	..	..	..	..	3	4	21	28	4	41	..	..	..	6	3	13	6	..	3	2	..	..	..	..	..	45	11	79
Other Sorts	..	1	..	..	..	..	1	..	..	13	4	65	74	15	29	..	..	..	177	86	133	10	6	28	..	..	..	1	..	..	277	112	254
TOTAL WHITE ..	..	1	7	..	..	..	1	..	..	22	12	91	133	21	72	..	..	..	303	127	177	26	25	43	5	2	..	2	1	..	493	189	392
COLOURED, PRINTED OR DYED:—																																
Lungis and Saries ..	2	..	27	..	..	2	..	..	..	1,367	1,192	1,536	175	44	63	..	..	..	21,076	14,402	15,319	109	40	56	94	113	119	..	..	31	22,822	15,790	17,153
Drills and Jeans ..	72	..	..	44	32	20	1	..	..	3	4	3	165	249	233	14	..	..	184	90	38	1,054	711	515	11	15	..	2	3	..	1,551	1,104	809
Other Sorts	123	22	46	85	22	100	36	7	10	2,292	1,444	1,998	19,557	21,043	13,473	2	3	..	13,655	15,699	12,116	30,180	33,721	29,391	1,637	764	513	189	231	72	67,756	72,956	57,720
TOTAL COLOURED, PRINTED OR DYED ..	197	22	73	129	53	122	37	7	10	3,662	2,640	3,538	19,898	21,336	13,769	16	3	..	34,915	30,192	27,473	31,343	34,471	29,962	1,742	892	632	190	234	103	92,130	89,851	75,682

See foot-note to Table 24

TABLE NO. 31.

EXPORTS OF COTTON PIECEGOODS OF INDIAN MANUFACTURE FROM BOMBAY.

(In thousands of yards.)

	European Countries.			China.			Egypt and North Africa.			Red Sea Ports.			East Africa.			Levant and Black Sea Ports.			Ceylon and Straits.			Persian Gulf.			South Africa.			Other Countries.			Total.		
	1930.	1931.	1932.	1930	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930	1931.	1932.
GREY (Unbleached):—																																	
Chadars and Dhutis	..	2	1	..	..	..	..	..	..	232	121	129	1,953	1,676	1,844	..	..	..	22	45	6	62	38	25	5	9	4	..	..	..	2,274	1,890	2,008
Drills and Jeans	10	..	..	..	..	..	..	..	..	41	25	11	24	4	98	..	..	..	3	2	11	30	83	..	..	..	..	1	..	5	109	115	125
T-Cloths and Domestics	..	..	122	..	..	..	..	..	.	716	763	251	606	25	2	4	..	..	5	..	21	105	2	..	..	..	..	..	..	..	1,435	790	396
Shirtings	1	..	..	..	..	..	135	..	..	651	413	316	2,764	3,866	1,312	..	..	..	27	20	134	240	175	245	58	12	120	..	..	..	3,875	4,486	2,127
Other Shorts	90	40	10	..	1	1	547	453	90	763	397	156	873	314	211	4	..	..	55	28	95	401	110	22	59	44	35	66	31	69	2,858	1,417	688
TOTAL GREY ..	100	41	134	..	1	1	682	453	90	2,403	1,718	862	6,219	5,886	3,466	8	..	..	111	95	267	838	409	292	122	65	159	67	31	74	10,551	8,699	5,344
WHITE (Bleached):—																																	
Chadars and Dhutis	..	..	..	..	..	..	..	..	..	..	4	5	4	..	1	..	..	..	..	2	..	..	..	..	..	..	..	..	..	..	4	5	6
Drills and Jeans	..	..	3	..	..	..	..	..	..	5	..	..	5	..	..	..	..	..	..	..	..	4	19	12	..	..	..	..	..	..	14	19	15
T-Cloths and Domestics	..	..	..	..	..	..	..	..	..	1	..	..	22	..	..	..	..	..	..	..	..	6	..	..	..	..	..	..	..	..	29	..	..
Shirtings	..	..	..	..	..	..	..	..	..	3	4	21	28	4	41	..	..	..	1	2	2	2	..	3	2	..	..	..	..	..	36	9	68
Other Sorts	..	..	..	..	..	..	..	..	..	13	4	64	74	15	29	..	..	..	101	49	54	9	6	28	..	..	..	..	..	..	196	74	175
TOTAL WHITE ..	..	..	4	..	..	....	..	..	..	22	11	90	132	19	71	..	..	..	102	52	56	21	25	43	2	..	..	..	..	..	280	107	264
COLOURED, PRINTED OR DYED:—																																	
Lungis and Saris	2	..	..	..	..	..	..	..	..	1,307	1,061	1,252	175	44	63	..	..	..	38	16	20	107	39	56	33	21	24	..	..	..	1,661	1,181	1,414
Drills and Jeans	72	..	..	..	..	..	..	..	..	..	1	2	165	247	221	14	..	..	..	3	..	1,054	711	515	4	..	..	..	..	..	1,309	962	737
Other Sorts	21	7	3	..	2	1	36	7	9	2,250	1,354	1,752	19,553	21,027	13,407	2	3	..	2,115	1,332	907	29,933	33,008	28,864	1,298	584	365	50	58	8	55,259	57,383	45,317
TOTAL COLOURED, PRINTED OR DYED	95	7	3	..	2	1	36	7	9	3,557	2,416	3,005	19,893	21,318	13,691	16	3	..	2,153	1,351	927	31,094	33,758	29,434	1,335	604	389	50	58	8	58,229	59,525	47,468

See foot-note to Table 24.

TABLE No. 32.

RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BRITISH INDIA.

—	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			Total.			Grey.			White.			Coloured, etc.			Fents.			Total.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
European Countries ..	2	2	38	..	..	3	2	2	1	5	4	42	13	9	..	11	22	3	141	20	32	5	3	..	171	54	35
China & Hongkong ..	..	..	..	..	..	..	..	..	1	..	..	1	..	5	2	7	14	8	20	29	34	..	..	..	28	49	44
Egypt & North Africa ..	1	1	4	..	..	..	1	..	..	1	1	4	..	..	59	1	..	30	4	..	..	..	..	..	5	..	89
Red Sea Ports	42	5	51	..	..	..	..	..	..	42	6	52	729	219	508	88	48	74	221	48	559	..	..	9	1,038	316	1,150
East Africa	1	1	..	..	..	..	29	17	29	30	18	29	457	788	383	189	212	118	706	619	428	1	..	3	1,353	1,619	932
Levant & Black Sea Ports..	13	1	14	..	..	..	..	..	..	13	1	14	..	..	..	..	..	..	..	..	1	2	..	..	2	..	1
Ceylon & Straits	10	9	7	..	..	..	1	5	5	11	13	12	114	113	162	294	199	116	612	400	709	3	..	..	1,023	713	987
Persian Gulf	298	380	1,237	..	..	..	6	5	7	304	385	1,245	6,952	4,409	3,428	2,231	1,967	3,006	5,422	5,708	9,955	1	..	1	14,605	12,084	16,391
South Africa	..	..	..	..	..	..	10	14	18	10	14	18	6	2	..	1	1	12	261	119	146	..	..	..	267	121	157
Other Countries	..	..	2	..	..	..	..	..	..	..	..	2	7	..	..	12	24	85	32	17	62	4	5	1	56	46	147
TOTAL ..	367	399	1,354	..	..	3	49	42	61	416	441	1,418	8,277	5,545	4,543	2,834	2,488	3,451	7,418	6,960	11,926	17	8	14	18,548	15,001	19,935

TABLE No. 33.

RE-EXPORTS OF FOREIGN MANUFACTURED PIECEGOODS AND YARN FROM BOMBAY.

Countries	YARN (In thousand pounds).												PIECEGOODS (In thousand yards).														
	Twist & Yarn.			Rope.			Sewing Thread.			TOTAL.			Grey.			White.			Coloured.			Fents.			TOTAL.		
	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.	1930.	1931.	1932.
European Countries	1	2	..	..	..	3	..	..	..	1	2	3	1	1	..	7	..	..	75	4	31	5	3	..	88	8	31
China and Hongkong ..	..	..	..	..	..	..	..	..	..	..	..	..	..	5	..	7	14	8	20	28	34	..	..	..	28	47	42
Egypt and North Africa ..	1	1	4	..	..	..	..	..	..	1	1	4	..	..	59	1	..	30	4	..	..	..	..	..	5	..	89
Red Sea Ports	42	5	51	..	..	..	..	..	..	42	6	52	729	219	508	88	48	73	221	48	557	..	..	9	1,038	316	1,146
East Africa	1	1	..	..	..	..	29	17	29	30	18	29	457	784	383	174	142	106	705	619	426	1	..	..	1,338	1,545	915
Levant and Black Sea Ports	13	1	14	..	..	..	..	..	..	13	1	14	..	..	..	..	..	..	..	..	1	2	..	..	2	..	1
Ceylon and Straits	10	8	7	..	..	..	1	3	4	11	11	10	76	44	138	186	100	69	435	227	613	3	..	..	700	370	820
Persian Gulf	298	380	1,237	..	..	..	6	5	7	303	385	1,244	6,928	4,403	3,426	2,022	1,774	2,918	4,581	5,539	9,745	..	..	1	13,531	11,715	16,089
South Africa	..	..	..	..	..	..	10	14	18	10	14	18	6	2	..	1	1	12	260	119	146	..	..	..	267	121	157
Other Countries	..	..	2	..	..	..	..	..	..	..	..	2	4	..	..	12	24	85	25	17	49	2	..	..	43	41	135
TOTAL ..	366	398	1,316	..	..	3	46	40	59	411	438	1,378	8,200	5,457	4,514	2,498	2,103	3,301	6,326	6,600	11,602	14	3	10	17,039	14,163	19,427

TABLE No. 34.

TABLE SHOWING THE APPROXIMATE YARDAGE OF PIECEGOODS AVAILABLE FOR CONSUMPTION IN INDIA.

(In millions of Yards.)

	'13-14	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26.	'26-27.	'27-28.	'28-29.	29-30.	'30-31.	'31-32.
Total Indian Mill Production	1,164	1,136	1,441	1,578	1,614	1,451	1,640	1,581	1,732	1,725	1,792	1,970	1,954	2,259	2,357	1,893	2,419	2,561	2,990
Less—Exports by Sea	89	67	113	264	189	149	197	146	161	157	165	181	165	197	169	149	133	98	105
Exports by Land	41	43	48	45	45	38	42	24	26	29	36	49	68*	83*†	88*†	95*†	86*†	90	103
Balance	1,034	1,026	1,280	1,269	1,380	1,264	1,401	1,411	1,545	1,539	1,591	1,740	1,721	1,979	2,100	1,649	2,200	2,373	2,782
Imports	3,197	2,446	2,148	1,934	1,556	1,212	1,081	1,510	1,090	1,593	1,486	1,823	1,564	1,788	1,973	1,937	1,919	890	776
Total	4,231	3,472	3,428	2,203	2,936	2,476	2,482	2,921	2,635	3,132	3,077	3,563	3,285	3,767	4,073	3,586	4,119	3,263	3,558
Less—Exports by Sea	62	35	41	97	85	114	89	61	74	75	61	54	35	29	34	24	22	17	16
Exports by Land	93	83	88	65	65	53	56	44	36	51	51	59	116*	131*†	118*†	121	89	64	75
Total quantity of Piecegoods available for consumption in India	4,076	3,354	3,299	2,041	2,786	2,309	2,337	2,816	2,525	3,006	2,965	3,450	3,134	3,607	3,921	3,441	4,008	3,182	3,467

From 1912-13 to 1924-25 the figures in both the tables are taken *en bloc* from the " Notes on Hand Loom Weaving " by Mr. R. D. Bell.

NOTE :—With effect from 1st April 1925, the Government of India discontinued the publication of "Accounts relating to the trade by land of British India with other countries." Since then, the statistics in question are published in Special Supplements to the *Indian Trade Journal* in an abbreviated form. The revised form does not affect the above table materially but in Table 35 it has not been possible to separate the land export figures for Indian and foreign yarn. This, however, does not affect the approximate accuracy of the figure showing the balance of yarn available for consumption in India.

† Maunds converted into lbs. and lbs. converted into yds: 1 Maund=82⅔ lbs ; 1 lb.=4·27 yds.

TABLE No. 35.

TABLE SHOWING THE APPROXIMATE POUNDAGE OF YARN AVAILABLE FOR CONSUMPTION IN INDIA.

(In millions of Lbs.)

	'13-14.	'14-15.	'15-16.	'16-17.	'17-18.	'18-19.	'19-20.	'20-21.	'21-22.	'22-23.	'23-24.	'24-25.	'25-26	'26-27.	'27-28.	'28-29.	'29-30.	'30-31.	'31-32.
Total Indian Mill Production	682	652	722	681	660	615	636	660	693	706	617	719	686	807	809	648	833	867	966
Less—Exports by Sea	198	134	160	169	122	64	152	83	81	57	39	37	32	42	25	24	25	23	22
Exports by Land	9	9	8	9	8	8	9	6	7	7	7	9	7*	8*†	5*†	5*†	6*†	7*†	6*†
Balance	475	509	554	503	530	543	475	571	605	642	571	673	647	757	779	619	802	837	938
Imports	44	43	40	30	19	38	15	47	57	59	45	56	52	49	52	44	44	29	32
Total	519	552	594	533	549	581	490	618	662	701	616	729	699	806	831	663	846	866	970
Less—Export by Sea	1	1	1	2	1	1	3	..	1	2	2	1	1	1	1	..	..	..	..
Exports by Land	7	8	8	5	6	5	4	3	3	5	4	4	..	..	..	..	..	..	..
Quantity of Yarn available for consumption in India	511	543	586	526	543	574	483	615	658	692	610	724	698	805	830	663	846	866	970
Cloth produced in India in millions of pounds.	274	277	352	377	381	350	384	367	403	405	402	459	465	539	568	446	562	590	672
Approximate equivalent in Yarn (taking 100 lbs. of yarn=112 lbs. of piecegoods.) ..	244	247	314	337	340	312	342	328	360	362	359	410	415	481	507	384	502	527	600
Real balance of Yarn available for sale in India.	267	296	272	189	203	262	141	287	298	335	251	314	283	324	323	279	344	339	370

*Includes re-exports also. † Maunds converted into lbs. at the rate of 82⅔ lbs.=1 Maund.

See foot-note to Table 12 regarding strikes in Bombay mills.

TABLE No. 36.

PROGRESS OF JAPAN COTTON MILLS DURING THE LAST 16 YEARS.

(The information is extracted from the half-yearly statistics published by the Japan Cotton Spinners' Association.)

Term.	No. of Companies.	Capital.		Reserve Funds.	No. of Mills.	Spindles		Doubling Spindles.	Looms.
		Authorised.	Paid up.			Ring.	Mule.		
Half-year ending		Yen.	Yen.	Yen.					
June, 1916	39	108,426,400	86,033,187	39,806,107	160	2,764,588	51,450	365,566	30,562
December, 1916	40	137,290,150	99,641,818	48,952,381	161	2,825,944	49,960	370,681	31,295
June, 1917	39	152,730,150	108,186,750	56,847,311	163	2,890,760	51,170	375,306	33,040
December, 1917	43	162,830,150	115,623,020	70,037,275	170	3,008,568	51,910	383,458	36,181
June, 1918	41	176,202,650	127,055,220	71,457,603	170	3,064,922	51,910	583,074	37,607
December, 1918	43	192,877,650	138,494,595	92,426,047	177	3,175,768	51,910	384,872	40,391
June, 1919	48	202,177,650	147,157,670	110,447,795	184	3,282,754	52,330	400,307	42,400
December, 1919	54	221,927,650	165,758,695	139,073,867	190	3,435,932	52,330	410,690	44,401
June, 1920	56	315,427,650	248,180,420	153,923,042	198	3,637,310	52,330	434,736	49,826
December, 1920	56	394,327,650	276,535,896	165,697,053	198	3,761,250	52,330	466,460	50,583
June, 1921	58	410,017,650	286,789,308	172,110,853	201	3,939,534	49,370	492,204	51,761
December, 1921	61	429,577,650	295,648,358	182,040,774	217	4,116,616	44,510	533,384	54,994
June, 1922	67	472,807,650	319,612,328	194,010,558	232	4,338,759	44,510	573,486	59,693
December, 1922	64	462,107,650	317,148,075	202,774,376	235	4,472,112	45,500	602,032	60,765
June, 1923	62	468,427,650	321,654,393	209,984,818	235	4,618,946	48,470	635,212	62,205
December, 1923	70*	530,277,650	376,272,935	217,407,870	241	4,422,428	14,370	510,031	64,460
June, 1924	69*	559,750,000	396,081,600	213,411,662	245	4,832,552	17,340	581,583	66,283
December, 1924	69*	575,302,500	398,163,443	219,043,315	247	5,100,546	25,150	685,995	68,579
June, 1925	64*	570,612,500	394,567,318	223,098,069	242	5,266,000	26,040	723,824	71,702
December, 1925	64*	551,362,500	382,714,817	223,531,448	243	5,413,094	34,090	759,632	73,381
June, 1926	65*	558,416,650	394,488,167	228,827,952	247	5,551,607	34,420	780,404	74,193
December, 1926	64*	539,237,500	391,305,247	231,149,181	247	5,644,772	35,080	789,688	77,043
June, 1927	64*	539,527,500	390,703,307	233,953,175	247	5,892,620	36,994	788,916	76,163
December 1927	64*	535,077,500	391,550,767	238,367,331	257	6,079,272	36,994	787,490	78,352
June 1928	68*	562,902,500	426,376,017	243,987,627	258	6,230,512	41,674	792,138	79,777
December 1928	72*	552,196,250	419,792,127	249,978,831	259	6,425,500	41,674	809,452	81,209
June, 1929	72*	558,696,250	428,098,852	257,406,526	259	6,487,720	41,674	807,100	78,870
December, 1929	70*	560,846,250	429,415,222	259,756,504	258	6,795,502	41,014	808,324	77,898
June, 1930	73*	567,596,250	433,048,087	258,259,496	262	7,047,832	41,464	801,184	77,850
December, 1930	74*	561,989,750	425,346,487	252,094,974	263	7,171,527	42,474	803,094	79,466
June, 1931	74*	560,664,750	421,327,167	243,860,512	262	7,269,120	42,474	810,294	79,173
December, 1931	72	537,964,750	398,855,292	240,828,488	263	7,498,152	36,994	801,594	77,782
June, 1932	71	545,114,750	397,903,277	242,704,877	265	7,762,448	35,320	798,420	77,528
December, 1932	71	540,561,100	397,674,627	245,939,643	265	7,929,530	35,320	810,492	79,277

* Including non-members of the Japan Cotton Spinners' Association.

TABLE No. 37.

JAPAN'S COTTON CONSUMPTION.

(Figures extracted from the half-yearly publication of the Japan Cotton Spinners' Association.)

Years.	Indian.	American.	Chinese.	Egyptian and African.	Annam and Saigon.	Korean	Sundries.	Total.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.
1906	213,902,368	119,326,058	97,386,216	6,718,950	2,688,083	..	4,251,825	444,273,500
1907	265,737,875	111,216,408	67,479,692	7,008,467	5,027,208	..	3,645,008	460,114,658
1908	230,701,058	95,674,700	76,140,575	9,406,175	7,154,158	..	4,166,275	423,242,941
1909	306,535,475	105,293,050	53,332,225	13,087,891	6,366,292	..	4,787,692	489,402,625
1910	372,808,800	69,456,508	79,219,308	11,374,717	4,823,683	..	5,909,009	543,592,025
1911	297,798,250	111,540,908	110,200,125	13,506,525	1,837,833	..	4,321,184	539,204,825
1912	368,062,933	214,251,250	31,654,633	15,086,558	3,735,384	..	3,441,058	636,231,816
1913	434,685,666	202,441,016	46,621,309	16,699,942	7,547,250	..	4,143,508	712,138,691
1914	549,868,658	170,397,933	36,528,292	15,161,483	4,742,225	..	7,158,842	783,857,433
1915	559,320,525	209,035,492	18,389,108	13,436,266	2,641,083	..	4,998,742	807,821,216
1916	593,978,108	235,615,875	29,506,075	16,421,546	9,069,166	6,744,540	4,251,590	895,586,900
1917	590,521,080	242,144,925	42,305,808	14,717,091	3,715,905	8,194,558	4,344,308	905,943,675
1918	453,072,641	280,374,975	83,091,375	14,769,342	3,187,334	11,790,775	6,941,733	853,228,175
1919	376,648,588	355,589,221	130,970,193	15,588,908	2,265,292	11,454,470	5,037,182	897,553,824
1920	482,881,416	310,370,393	30,684,616	11,558,208	2,041,258	9,412,820	5,367,604	852,316,315
1921	521,998,441	304,763,617	3,037,340	14,600,500	3,923,158	8,744,408	3,479,358	860,546,824
1922	615,242,183	389,759,225	3,626,017	19,652,842	5,563,967	8,354,600	5,680,941	1,047,879,775
1923	652,798,508	296,423,592	25,836,858	22,140,542	2,519,492	12,054,233	7,929,408	1,019,702,633
1924	563,969,233	282,197,025	58,888,450	36,176,192	1,461,775	20,443,692	5,877,333	969,013,700
1925	637,749,440	378,526,322	47,050,425	34,567,864	2,712,025	18,994,691	9,742,440	1,129,343,210
1926	664,655,716	486,464,350	19,956,425	43,557,383	1,011,383	12,512,942	8,763,400	1,236,921,599
1927	551,571,275	562,091,700	15,841,558	39,414,575	2,958,633	9,768,591	7,474,050	1,189,120,382
1928	510,871,795	511,694,394	60,928,568	36,900,193	1,663,337	11,052,982	7,069,534	1,140,180,803
1929	643,388,869	565,561,191	29,004,654	42,942,636	572,363	14,876,498	7,260,005	1,303,606,216
1930	627,594,598	468,778,932	11,443,473	34,718,189	1,931,984	20,269,592	6,330,650	1,171,067,418
1931	580,912,185	562,947,021	2,600,976	34,950,377	1,218,158	14,086,629	4,837,025	1,201,552,371
1932	331,599,316	908,859,160	2,029,745	37,576,519	482,167	5,051,240	7,185,856	1,292,787,003

NOTE.—Korean cotton before 1916 is totalled under "Sundries."

TABLE No. 38.

JAPAN'S COTTON YARN PRODUCTION AND EXPORTS.

YEAR.	Average Working Spindles.	Production. (Bales of 400 lbs.)				Exports. (Bales of 400 lbs.)						
		16s. warp.	20s. weft	Others.	Total.	China.	Hongkong.	British India.	Philippine Islands.	Korea.	Other countries.	Total.
1905	1,329,404	309,173	209,816	386,547	905,536	232,666	7,384	90	2,311	24,867	64	267,383
1906	1,404,714	323,664	227,628	393,873	945,165	243,219	6,253	15	2,277	15,462	121	267,348
1907	1,458,020	341,433	218,665	423,384	983,482	190,868	7,829	396	2,215	25,073	93	226,475
1908	1,367,631	224,897	209,475	444,198	878,570	134,267	6,511	41	2,645	21,807	2,573	167,843
1909	1,569,080	295,802	229,763	499,679	1,025,244	236,102	3,389	15	1,524	14,725	3,123	258,878
1910	1,741,168	338,175	258,412	538,193	1,134,780	301,535	17,953	701	3,503	19,825	4,118	347,635
1911	1,784,064	295,065	262,298	571,904	1,129,267	234,324	12,918	1,809	3,076	22,828	10,054	285,009
1912	1,984,191	346,844	335,821	669,544	1,352,209	304,199	29,091	989	3,625	21,034	15,994	374,933
1913	2,167,926	396,645	371,522	749,815	1,517,982	389,297	34,031	3,258	3,296	15,237	23,620	468,739
1914	2,369,801	388,992	439,672	837,517	1,666,181	455,124	66,124	3,144	4,791	19,020	21,787	569,990
1915	2,463,376	393,027	443,040	884,197	1,720,264	463,921	65,241	1,565	3,629	26,688	14,848	575,892
1916	2,757,299	409,053	497,291	1,019,235	1,925,579	440,158	50,381	11,744	1,889	26,137	16,839	547,148
1917	2,850,637	359,623	528,603	1,035,615	1,923,841	356,576	58,405	9,313	3,260	27,597	15,702	470,853
1918	2,936,495	228,818	511,539	1,063,509	1,803,866	231,689	62,598	79,426	5,685	13,053	29,062	421,513
1919	3,179,568	204,486	539,748	1,176,548	1,920,782	156,261	35,638	4,753	693	16,047	16,945	230,337
1920	3,191,753	196,928	191,141	1,128,907	1,816,976	166,711	58,349	47,615	2,548	5,535	24,167	304,925
1921	3,162,353	215,682	436,629	1,159,039	1,811,350	174,584	56,211	37,164	1,418	..	22,884	292,261
1922	3,967,265	205,489	746,731	1,276,026	2,228,246	212,862	83,394	68,319	2,896	..	26,591	394,062
1923	4,079,855	170,357	680,708	1,320,088	2,171,153	121,568	40,108	58,937	2,267	..	28,778	248,325
1924	4,115,692	135,844	631,476	1,305,497	2,072,817	96,536	61,493	80,840	1,799	..	29,692	270,361
1925	4,669,753	142,796	779,203	1,514,784	2,436,783	132,778	58,788	87,172	3,176	..	28,888	310,801
1926	5,002,932	146,983	795,170	1,665,593	2,607,746	72,640	29,286	72,283	3,201	..	28,140	205,550
1927	4,831,429	140,924	784,673	1,605,095	2,530,692	28,762	12,887	54,508	1,921	..	19,577	117,654
		Under 20.	20s.	Medium Counts.	Fine Counts.	Total.						
1928	4,983,089	721,557	736,767	906,924	86,614	2,451,862	22,626	15,921	17,260	1,217	..	14,632	71,656
1929	6,149,365	827,363	878,405	984,992	101,826	2,792,586	17,637	6,988	27,514	1,826	..	13,436	67,401
1930	5,698,030	780,498	808,560	834,426	101,215	2,524,699	13,493	13,272	20,390	1,255	..	10,976	59,386
1931	5,904,342	809,822	803,442	814,398	139,471	2,567,133	3,839	2,349	16,094	1,367	..	7,793	31,442
1932	6,307,884	797,180	896,921	957,915	158,421	2,810,437	9,190	8,103	50,591	962	..	20,049	88,895

TABLE NO. 39.
JAPAN'S CLOTH PRODUCTION.

Year.	Average Working looms.*	Production of cotton piece-goods.*	Yarn consumed.*
		Yards.	lbs.
1905	6,420	114,908,132	36,454,146
1906	8,491	137,773,415 Doz. 32,784	40,702,848
1907	9,245	135,253,029 Doz. 02,533	44,262,958
1908	9,496	147,443,838	47,676,427
1909	11,585	181,976,972	57,388,586
1910	14,911	226,313,958	71,197,654
1911	17,884	289,039,671	82,498,136
1912	20,208	342,584,684	93,562,721
1913	23,299	416,725,357	11,159,616
1914	24,911	454,901,674	126,863,966
1915	27,687	502,076,621	124,632,631
1916	30,110	560,181,108	136,413,408
1917	31,920	594,649,419	142,770,758
1918	36,365	656,935,420	160,301,569
1919	40,969	739,390,012	179,788,560
1920	44,635	762,037,360	189,651,320
1921	44,109	700,697,985	179,427,501
1922	51,033	869,327,652	214,327,505
1923	52,972	1,000,708,890	240,979,975
1924	56,351	1,030,905,658	241,319,095
1925	62,976	1,179,524,733	274,472,668
1926	65,699	1,277,726,954	294,334,545
1927	66,733	1,294,668,822	293,166,913
1928	70,606	1,382,034,413	303,008,225
1929	67,070	1,538,249,015	336,276,152
1930	62,767	1,388,423,325	296,592,495
1931	64,392	1,404,668,382	301,231,848
1932	68,028	1,532,850,514	325,907,959

*Sub-work by spinners' only.
Sub-work by spinners means that the table in question was prepared from the reports of the weaving companies which are affiliated to the Japan Cotton Spinners' Association.

TABLE NO. 40.

STATISTICS.

STATEMENT of Imports of Piecegoods of British Manufacture (Grey, Bleached, Coloured and Printed) and of Yarns (Grey and Dyed) from Great Britain into Bombay, Calcutta and Madras, from the years 1862 to 1932, both inclusive.

YEAR.	PIECEGOODS.			YARNS.		
	Bombay.	Calcutta.	Madras.	Bombay.	Calcutta.	Madras.
	Sq. Yards.	Sq. Yards.	Sq. Yards.	Lbs.	Lbs.	Lbs.
1862	178,803,604	295,508,637	9,748,215	4,811,384	9,594,896	1,675,239
1863	232,321,038	234,645,916	16,352,677	5,592,995	10,394,931	3,702,562
1864	189,812,984	223,036,538	14,787,062	4,268,662	8,742,699	3,447,635
1865	175,486,677	319,047,954	17,291,203	4,073,811	6,981,809	2,232,948
1866	243,476,368	351,572,331	22,081,805	6,877,968	10,795,517	4,629,986
1867	316,784,109	528,434,956	23,258,498	6,568,619	13,006,019	4,684,638
1868	555,337,050	619,101,683	31,793,397	7,780,033	13,236,453	6,873,398
1869	296,158,439	518,741,346	29,683,469	7,981,949	11,858,210	7,773,636
1870	272,898,226	687,639,911	45,750,099	9,946,299	16,816,936	6,649,598
1871	305,416,233	684,926,367	47,560,133	6,097,531	12,041,848	8,876,841
1872	262,849,273	657,123,291	48,177,871	6,163,813	11,490,636	8,616,040
1873	349,631,830	664,987,114	57,666,809	8,667,090	11,192,248	8,918,841
1874	292,843,697	765,762,164	49,878,834	8,867,978	14,041,520	10,510,639
1875	305,917,934	744,439,224	44,683,288	6,863,763	12,945,102	10,104,020
1876	356,940,508	733,913,330	54,875,423	8,246,211	12,090,167	9,664,609
1877	354,779,192	885,688,850	39,106,318	10,624,710	14,364,841	8,683,595
1878	344,068,807	749,233,431	47,038,579	7,754,005	13,967,396	8,373,916
1879	343,811,233	788,759,250	61,375,691	7,469,113	10,580,436	9,581,363
1880	531,050,559	1,007,531,497	77,010,037	13,024,923	16,446,089	12,108,002
1881	544,890,697	947,329,460	82,451,852	12,326,706	13,597,371	11,099,762
1882	500,248,293	883,611,784	106,615,818	12,019,123	14,780,667	13,069,871
1883	572,738,196	878,949,353	107,868,579	16,220,463	13,478,764	11,033,824
1884	568,220,318	908,294,475	120,841,003	14,299,380	15,313,840	13,114,875
1885	547,773,459	911,987,148	93,757,204	14,132,372	13,473,067	99,597,197
1886	700,061,881	1,159,407,968	143,318,736	17,087,709	14,177,149	13,937,810
1887	585,502,258	988,370,500	117,502,619	14,990,151	14,040,137	13,432,638
1888	652,344,548	1,045,951,384	138,271,060	16,595,176	14,778,545	14,570,258
1889	634,608,171	1,031,000,980	144,140,943	13,011,348	11,836,681	13,393,848
1890	665,550,786	1,037,911,379	115,224,797	15,805,515	12,455,601	13,284,690
1891	572,065,309	961,686,226	108,083,576	15,526,869	12,484,617	14,666,189
1892	548,944,867	1,013,742,658	93,892,712	12,427,053	10,108,327	10,390,439
1893	604,439,138	1,009,441,511	106,086,291	10,466,233	13,124,097	11,387,889
1894	719,324,449	1,161,138,343	140,749,235	11,723,808	10,529,734	12,547,763
1895	484,780,087	925,203,136	99,427,366	10,857,586	10,689,066	10,188,466
1896	574,410,316	1,163,967,702	86,265,292	11,649,977	13,403,663	15,402,931
1897	472,597,133	932,328,974	121,396,515	11,788,246	13,299,211	13,650,022
1898	557,597,951	1,202,254,978	91,950,978	10,238,969	11,412,068	11,673,878
1899	611,556,220	1,266,926,546	93,492,746	10,441,484	10,729,842	11,532,812
1900	461,938,302	1,086,463,274	120,383,837	5,892,081	9,435,371	9,496,085
1901	629,976,200	1,127,753,500	129,392,500	7,911,750	11,050,890	9,564,200
1902	475,541,800	1,176,051,500	119,878,000	6,299,820	7,411,640	9,438,560
1903	520,373,400	1,119,542,300	129,898,800	5,300,460	6,442,050	6,699,580
1904	593,591,100	1,193,265,900	145,618,800	6,221,400	6,613,460	8,056,710
1905	637,039,600	1,292,516,900	119,829,700	11,368,420	11,443,550	10,175,810
1906	611,705,100	1,189,552,900	142,636,200	10,548,720	10,300,210	10,260,270
1907	646,598,400	1,298,662,500	131,107,800	10,419,750	9,921,670	7,601,280
1908	470,956,400	1,005,027,600	200,636,400	10,894,540	9,019,320	10,432,380
1909	481,389,100	1,180,586,000	108,497,400	16,251,580	8,448,010	6,169,190
1910	624,859,600	1,129,898,600	109,976,800	8,410,140	6,384,450	6,891,410
1911	622,516,400	1,226,065,400	138,414,300	12,842,440	9,179,460	8,364,340
1912	658,026,700	1,451,819,200	173,698,700	13,298,110	11,913,170	10,745,130
1913	804,333,100	1,547,872,400	210,797,700	13,628,700	7,519,860	9,497,740
1914	617,498,700	1,378,930,300	160,552,000	13,538,110	9,985,330	8,280,700
1915	354,966,900	1,052,246,400	106,332,200	15,423,650	8,974,950	10,801,200
1916	481,857,500	1,035,437,900	88,153,700	8,931,510	5,922,490	7,583,020
1917	851,853,300	898,872,200	78,886,500	5,185,900	5,646,600	6,295,900
1918	429,754,300	449,044,800	33,046,000	2,054,500	2,211,400	3,490,800
1919	275,575,100	423,299,200	37,684,300	3,217,300	2,401,100	3,201,100
1920	569,054,700	656,277,100	69,872,000	10,850,000	5,096,900	6,011,600
1921	265,737,000	744,049,100	50,486,100	18,383,900	7,573,200	7,257,800
1922	410,565,000	854,974,300	77,837,700	21,204,800	7,284,200	7,471,600
1923	476,873,200	797,622,700	89,096,800	9,024,500	5,154,800	5,978,300
1924	553,405,800	938,652,800	91,324,300	9,281,600	4,280,600	5,613,800
1925	524,457,900	767,338,700	72,441,200	6,244,300	4,184,500	4,465,500
1926	504,044,100	902,411,700	93,138,100	8,809,600	4,286,100	6,244,000
1927	576,045,900	924,941,700	84,499,100	8,681,600	5,262,900	6,660,400
1928	687,653,200	710,112,300	92,249,700	9,089,800	4,960,500	6,791,500
1929	511,977,900	687,826,200	108,049,200	8,318,800	4,031,000	8,447,700
1930	317,988,200	345,331,500	75,803,600	4,734,900	1,959,400	4,620,200
1931	231,407,000	77,021,300	59,272,200	3,407,400	2,608,000	4,785,400
1932	339,930,400	129,501,100	78,121,100	3,791,800	2,965,000	7,036,300

Figures from "Accounts relating to Trade and Navigation of the United Kingdom."

Report for the year 1932.

Section VI.

RULES AND REGULATIONS.

Rules for the Registration of Trade Marks, Trade Numbers,
Rules for Arbitration on Piecegoods, Standard Contract Form,
Etc., Etc.

RULES AND REGULATIONS.

Revised and adopted down to the Special General Meeting held on 13th February 1930.

1. The Association shall be called the Bombay Millowners' Association. Name.

2. The Office of the Association will be situate in Bombay.

3. The objects of the Association are :— Objects of the Association.

(*a*) To encourage friendly feeling and unanimity amongst Millowners and users of steam, water and/or electric power on all subjects connected with their common good.

(*b*) To secure good relations between members of the Association.

(*c*) To promote and protect the trade, commerce and manufactures of India in general and of the cotton trade in particular.

(*d*) To consider questions connected with the trade, commerce and manufactures of its members.

(*e*) To collect and circulate statistics and to collect, classify and circulate information relating to the trade, commerce and manufactures of its members.

(*f*) To take all steps which may be necessary for promoting, supporting or opposing legislative and other measures affecting the trade, commerce or manufactures of its members.

(*g*) To make representations to Local, Central and Imperial authorities on any matter connected with the trade, commerce and manufactures of its members.

(*h*) To arbitrate in the settlement of disputes arising out of transactions in piece-goods and yarn between parties willing or agreeing to submit to arbitration in accordance with the arbitration rules of the Association.

(*i*) To advance and promote commercial and technical education connected with the trade and commerce of its members.

(*j*) To undertake special inquiries and initiate or support any action for securing the redress of legitimate grievances connected with the trade or commerce of its members.

(*k*) To take any action which may be conducive to the extension of the trade and commerce of its members or incidental to the attainment of this object.

(*l*) To subscribe, to become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.

(*m*) To establish or aid in the establishment of funds to benefit employees of the Association or the dependents of such persons and to subscribe, donate or guarantee money for charitable or benevolent purposes at the discretion of the Association.

(*n*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Association directly or indirectly.

Persons eligible for membership.

4. Any individual, firm or Company owning one or more mill or mills or one or more press or presses or one or more ginning or other factory or factories actuated by steam, water, electric and/or other power shall be eligible for membership of the Association.

Definition of the term "member."

5. The expression "Member" in these rules shall ordinarily mean the person, firm or Company, as the case may be, by whom or by which any such mill or mills, press or presses, or factory or factories as last aforesaid is or are actually owned, but shall where the context so requires or permits also mean and include the person or persons for the time being entitled or empowered in accordance with these rules to act and vote on behalf of any member of the Association.

Voting power of members.

6. At any General Meeting of members of the Association every member shall be entitled to one vote for every complete sum of Rs. 50 paid by him as annual subscription under Rule 35 hereof.

7. Each individual, who, as an individual, shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled either to act and vote on his own behalf or to empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign his name per procuration, to act and vote on his behalf.

8. Every partner in any firm, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of his firm, and the firm may also empower, subject as hereinafter mentioned, any one or more persons, who shall have been duly authorized to sign the name of the firm per procuration, to act and vote on behalf of the firm.

9. Every Director of a Joint Stock Company, which shall be a member of the Association, shall, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company, and the Agent, Secretary or Manager, as the case may be, of such Company, and every partner in any firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, and likewise any one or more persons, who shall have been duly authorized by the Agent, Secretary or Manager, as the case may be, of such Company, or by the firm, which shall be Agents, Secretaries or Managers, as the case may be, of such Company, to sign either the name of such Agent, Secretary or Manager or the name of such firm, per procuration, shall also, subject as hereinafter mentioned, be entitled to act and vote on behalf of such Company.

10. The name of every person entitled or empowered to act and vote on behalf of any member of the Association, whether such person be the member himself or any other person, shall be notified in writing by such member to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, and if more than one person shall be entitled or empowered to act and vote on behalf of any member, such member shall notify in writing to the Secretary of the Association to be entered by the Secretary of the Association as hereinafter provided in the register hereinafter mentioned, the order of precedence in which such persons shall be entitled to act and vote on behalf of such member.

11. When any member shall notify to the Secretary of the Association that any one or more persons, other than the member himself, is entitled or empowered to act and vote on behalf of such member, such member shall, in such notification, state the capacity in which such person or each of such persons is so entitled or empowered to vote, that is to say, either as a member of a firm or as a Director or Agent or Secretary or Manager of a Company or as the holder of a power to sign per procuration or otherwise as the case may be.

12. If the name of any person shall be notified as a person empowered to act and vote on behalf of a member by virtue of being the holder of a power to sign per procuration, the notification shall be accompanied by the document authorizing such person to sign per

procuration, in order that the same may be registered by the Secretary, and the Secretary shall, after registering the document, return it to the person who sent it.

13. The Association shall provide a Register, to be called " Register of members and of persons entitled to act and vote for members " (hereinafter in these rules referred to as " the said Register "), and the names of all members of the Association shall be entered in the said Register together with the name of each person entitled or empowered, in accordance with these rules, to act and vote for such members, so soon as the name of such persons and all particulars regarding him and all formalities shall have been duly notified and observed in accordance with these rules, and when the name of more than one person shall have been notified as entitled to act and vote for any one member of the Association, the names of such persons shall be numbered in the order of precedence in which such persons are entitled to act and vote for such member.

14. No person shall be entitled to act or vote on behalf of any member of the Association unless and until his name shall have been entered in the said Register as a person entitled to act and vote for such member.

15. If two or more persons, who shall be entitled to act and vote on behalf of one and the same member of the Association, shall be present at any meeting of the Association, that one, who takes priority in the order of precedence in the said Register, shall alone be entitled to vote at such meeting.

16. If any one person shall, according to these rules, be entitled to act and vote for more than one member of the Association, such person shall be entitled to act and to exercise the right of voting, according to these rules, for each member, on whose behalf he is entitled to act and vote.

17. Members of the Association shall be elected by ballot in the manner hereinafter mentioned. Mode of electing members.

18. Every candidate for election as a member of the Association must be proposed by one member of the Association and seconded by another, and a letter of proposal signed by the proposer and seconder must be sent to the Managing Committee of the Association (hereinafter called " the Committee ").

19. After the receipt by them of a proposal duly made and seconded according to these rules of a candidate for election as member of the Association, the Committee shall fix a day for the commencement of the ballot for the election of such candidate.

20. Not less than seven days before the day so fixed as aforesaid for the commencement of the ballot for the election of any candidate, notice in writing shall be given by the Committee to all members of the Association of the name of the candidate and of his proposer and seconder and of the date so fixed as aforesaid for the commencement of the ballot for the election of such candidate.

21. The Committee shall, before the day appointed for the commencement of the ballot for the election of a candidate for membership of the Association, appoint a scrutineer for such election.

22. The Association shall, for the purposes of all elections by ballot, provide a ballot-box with a lock and key and with an aperture sufficiently large to admit of the deposit therein of voting papers.

23. Before the time appointed under these rules for the commencement of the ballot for the election of any candidate for membership of the Association, the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same, and the same shall not be opened until after the expiration of the full time appointed for such ballot.

24. The Committee shall provide voting papers for the election of a member of the Association in such form as they shall, from time to time, think fit and shall send one of such voting papers to each member of the Association, not less than seven days before the day fixed according to these rules for the commencement of the ballot for the election of any candidate for membership of the Association.

25. If any person entitled or empowered to vote concerning the election of a candidate for membership of the Association shall desire to exercise his right of voting he shall fill up a voting paper in accordance with the directions contained therein stating whether he votes for or against the election of such candidate and shall sign the paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

26. Voting papers may be deposited in the ballot-box in accordance with these rules at any time between the hours of 10-30 a.m. and 4 p.m. on the day appointed for the commencement of the ballot or on any one of the six succeeding days, exclusive of Sundays or Gazetted Holidays.

27. The ballot-box shall, at 4 p.m. on the seventh of the days appointed for the election of any candidate for membership, be opened by the Secretary in the presence of the scrutineer, and the votes shall be counted and scrutinized by the scrutineer, and the scrutineer shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

28. No candidate for election as a member shall be deemed to have been elected unless the number of votes recorded is greater than one-fourth of the total number of the votes which would have been recorded if all members had voted. One adverse vote in every six votes recorded shall exclude. The result of every election shall be recorded in the Minutes of the Proceedings of the Committee.

29. If any candidate for election as a member of the Association shall not be elected, his proposer shall be informed of his non-election by the Secretary.

30. Particulars of the voting for the election of any candidate for election as a member of the Association shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

31. A candidate, who shall have been proposed for election as a member of the Association and shall not have been elected, shall not be again eligible for election as a member of the Association until after the expiration of six months from the date of the election at which he shall not have been elected.

32. If a candidate for election as a member of the Association be elected, his election shall be notified in writing by the Secretary to his proposer and likewise to the candidate himself, and a copy of the last annual report of the Association and also a copy of the Rules of the Association, together with a bill for the entrance fee payable by such member on election and the amount of the annual subscription payable in accordance with these rules shall be sent to him by the Secretary.

Membership subscription.

33. Every member who shall after the date on which these rules shall come into force be elected a member of the Association shall pay on election an entrance fee of Rs. 100.

34. Every member who shall after the date on which these rules shall come into force be elected a member of the Association after the 1st January but before the 1st October in any year shall in addition to the entrance fee pay such proportion of the annual subscription for that year as shall be attributable to the period between the date of election and the 31st December of that year. Every member similarly elected after the 30th September in any year shall pay in addition to the entrance fee one-quarter of the annual subscription for that year.

35. Each member of the Association shall pay the annual subscription to the Association which may from time to time be determined by the Committee. Provided that the resolution of the Committee determining such annual subscription shall be passed by a majority of not less than two-thirds of the members of the Committee present at a special meeting called for the purpose of determining such subscription.

36. Annual subscriptions shall be payable in advance on the 1st January in each year in respect of the period from the 1st January to the 31st December in that year, and a member shall not be entitled to exercise any of the privileges of membership if his subscription is more than two calendar months in arrear.

37. The Committee of the Association shall, in the case of mills which remain entirely closed for one calendar year or more for causes not due to a strike or a lock-out, be empowered to remit the ordinary membership subscription, and to substitute therefor a subscription of Rs. 100 only for each calendar year during which the mills remain entirely closed.

38. A member who shall fail to pay his subscription for a period of three calendar months after it has become payable shall, *ipso facto*, cease to be a member of the Association and his name shall forthwith be removed from the said Register. Provided that the Committee may, for good cause shown for such non-payment of the subscription as to which the decision of the Committee shall be final and binding upon the member in default, and upon payment of the subscription in arrear, revoke the cancellation of membership and order the name of such member to be reinstated in the said Register. Subscriptions in arrear shall be treated as a debt due to and recoverable by the Association.

Form of adherence to be signed by members.

39. Each member shall, on election to the Association, sign a form of adherence to the rules of the Association in the form from time to time approved by the Committee and until such form shall have been signed a member shall not be entitled to exercise any of the privileges of membership.

Mode of resigning from membership.

40. Every member of the Association shall have power to terminate his membership thereof by giving not less than three calendar months' previous notice in writing (expiring at any time) to the Secretary of the Association of his desire to terminate such membership and upon the expiration of any such notice such member shall cease to be a member of the Association and his name shall forthwith be removed from the said Register.

The Committee, its constitution and mode of election.

41. The affairs and funds of the Association shall be managed by a Managing Committee hereinbefore and hereinafter called "the Committee" to be constituted as hereinafter mentioned.

42. The members of the Association shall, in each year between the 1st and the 31st day of January, elect the Committee from amongst the list of persons whose names appear in the said Register as persons entitled to act and vote for members.

43. The Committee shall consist of a Chairman, a Deputy Chairman and not more than eighteen ordinary members, making a maximum of twenty members in all.

44. The Committee, holding office for the time being, shall appoint a day between the 1st and the 31st day of January in each year for the election of the Chairman, the Deputy Chairman and the eighteen ordinary members of the Committee for the ensuing year, and shall cause notice of the day so appointed for such election as aforesaid to be advertised in at least one English and one Vernacular newspaper published in Bombay.

45. The Secretary of the Association shall also give to each member of the Association not less than seven days' notice in writing of the day appointed for the said elections and of the names of all authorized representatives of members who are eligible for election as members of the Committee.

46. The members of the Committee shall be elected by ballot.

47. The Committee shall, before the day appointed for the said election, appoint a scrutineer for each of the said elections.

48. Before the time appointed under these rules for the commencement of the ballot upon the day appointed for the said elections the Secretary of the Association shall satisfy himself that the ballot-box is empty and shall lock the same and the same shall not be opened until 4 p.m. upon that day.

49. The Committee shall provide separate voting papers for

(*a*) the election of a Chairman of the Committee,

(*b*) the election of a Deputy Chairman of the Committee,

(*c*) the election of eighteen ordinary members of the Committee,

in such form as they shall, from time to time, think fit and shall send to each member of the Association not less than seven days before the day fixed for the said elections, one voting paper in respect of the election of the Chairman, one voting paper in respect of the election of the Deputy Chairman and one voting paper in respect of the election of the ordinary members of the Committee.

50. On the day appointed for the said elections voting shall commence at 10-30 a.m. and terminate at 4 p.m.

51. If any person entitled or empowered to vote concerning the election of the members of the Committee shall desire to exercise his right of voting, he shall, in the case of the election of a Chairman, write on a voting paper relative to the election of a Chairman the name of the person representing a member of the Association whom he desires should be appointed such Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of a Deputy Chairman, write on a voting paper relative to the election of a Deputy Chairman the name of the person representing a member of the Association whom he desires should be appointed such Deputy Chairman and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover and he shall, in the case of the election of the eighteen ordinary members of the Committee, write on a voting paper relative to the election of the ordinary members of the Committee, the names of the eighteen persons representing members of the Association whom he desires should be appointed as ordinary members of the Committee as aforesaid and shall sign the said voting paper and shall deposit it or cause it to be deposited in the ballot-box in a sealed cover.

52. Voting papers regarding the elections of a Chairman, Deputy Chairman and the ordinary members of the Committee may be deposited in the ballot-box in accordance with these rules between the hours of 10-30 a.m. and 4 p.m. on the day which shall have been appointed under these rules for such elections.

53. At 4 p.m. on the day appointed for the said elections the ballot-box shall be opened by the Secretary of the Association in the presence of the scrutineer and the votes shall be counted and scrutinized by the scrutineer, who shall report to the Committee in writing under his hand the result of the election according to his counting and scrutiny.

54. Particulars of the voting for the election of the members of the Committee shall be confidential and shall not be disclosed by the scrutineer or by the Secretary to anyone whomsoever.

55. Those persons in whose favour the largest number of votes shall have been cast for the respective appointments of Chairman, Deputy Chairman and ordinary members of the Committee shall be deemed to have been appointed Chairman, Deputy Chairman and ordinary members of the Committee respectively.

56. Two representatives of any one member entitled under Rule 6 to ten votes or less shall not be on the Committee at the same time, and if two representatives of any one such member shall be elected to serve on the Committee at the same time, the election of that representative who obtains the lesser number of votes shall be void. In case of an equality of votes, the Chairman of the retiring Committee shall have a casting vote.

57. No member of the Association shall vote for more than one Chairman, one Deputy Chairman and eighteen ordinary members of the Committee.

58. If any person who shall have been elected according to these rules either as Chairman of the Committee or as Deputy Chairman of the Committee shall decline to accept the appointment there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be.

59. If any person who shall have been elected in accordance with these rules as an ordinary member of the Committee shall decline to accept the appointment the person who shall have received the next largest number of votes shall be considered to have been elected, and if there shall be no such person then the vacancy shall be filled by the retiring Committee.

60. If in any ballot for a Chairman or Deputy Chairman of the Committee there shall be an equality of votes for the appointment, there shall be a fresh election by the members of the Association for the appointment of a Chairman or Deputy Chairman as the case may be. If in any ballot for the election of the eighteen ordinary members of the Committee there shall be an equality of votes for the eighteenth appointment, the Chairman of the retiring Committee shall have a casting vote.

61. The new Committee shall take office upon the conclusion of the first Annual General Meeting of the members of the Association held after their election, and shall continue to hold office until the conclusion of the next Annual General Meeting of the members of the Association, when they shall retire but shall be eligible for re-election.

62. If any member of the Committee shall be absent from the regular meetings of the Committee for more than three consecutive months he shall, unless he shall have previously obtained leave of absence from the Committee, be deemed to have vacated his office.

63. When any vacancy other than a vacancy in the office of Chairman or Deputy Chairman shall occur in the Committee, the members of the Committee shall have power to appoint any duly qualified person to fill such vacancy who shall hold office until the conclusion of the next Annual General Meeting of the members of the Association when he shall retire but shall be eligible for re-election. Similarly if any member of the Committee shall have previously obtained leave of absence from the General Meetings of the Committee, the members of the Committee shall have power to appoint any duly qualified person to act as a member of the Committee during the absence of such member.

64. If any vacancy other than a temporary vacancy shall occur in the office of Chairman or Deputy Chairman of the Committee, such vacancy shall be filled by the election according to these rules by the members of the Association of any duly qualified person. A temporary vacancy may be filled by the members of the Committee from their own number.

The procedure to be adopted by the Committee in conducting business.

65. The Chairman of the Committee shall, if present, preside at all meetings of the Committee held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and failing both, the chair shall be taken by one of the members of the Committee who shall be appointed by the other members of the Committee present at such meeting.

66. In case of a tie in voting in Committee the Chairman for the time being shall have a casting vote in addition to his own vote.

67. Five members of the Committee shall constitute a quorum.

68. The Committee shall meet at least once in every month.

Powers of the Committee.

69. The Committee shall have power to require from any member an explanation as to any act done or conduct pursued by such member which in the opinion of the Committee shall be in contravention of the rules of the Association or to the detriment or discredit of the Association or shall be injurious to the welfare and interests of the Association. If any such explanation shall be refused or having been given shall be deemed unsatisfactory, the Committee shall cause a Special General Meeting of the Association to be convened to consider the acts and conduct of such member, and the Association shall have power if a quorum be present at such Special General Meeting to resolve by a majority of not less than two-thirds of the votes cast at the meeting to declare that such member is expelled from the Association.

70. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association and shall not be entitled to claim any refund on account of subscription which may have already been paid.

71. Previous to each Annual General Meeting of the members of the Association, the Committee shall prepare a report of the proceedings of the Association during the year prior to such General Meeting and shall cause the same to be printed and shall send at least one printed copy thereof to each member of the Association not less than seven days prior to the date fixed for the said Annual General Meeting. The Committee may also, if they see fit to do so, send any one or more copies of the said report to any individual or Corporation or Association to whom or to which they may think it desirable in the interests of the Association to send the same.

72. The Committee shall have authority to appoint Solicitors to the Association and the Committee may consult them whenever they deem it expedient to do so.

73. The Committee shall have authority at any time and from time to time, if for any reason they shall consider it advisable to do so, to attach to the office of the Chairman of the Committee a remuneration or honorarium of such amount, and to operate from such date and for such period as the Committee may determine, and such remuneration or honorarium shall be met from the revenues of the Association.

74. At the first meeting of the Committee held after the holding of the Annual General Meeting of the members of the Association in each year, the Committee shall appoint three or more of their number to form a Sub-Committee for the purpose of deciding questions other than arbitrations, arising under the rules of the Association relating to the registration of trade marks, and the decision of such Sub-Committee on such questions shall have the same effect as if given by the entire Committee. Any vacancy which may from time to time occur in any such Sub-Committee shall be filled by the Committee by the appointment thereto of another member of the Committee.

75. The Committee may from time to time appoint a Sub-Committee to investigate and to report upon any matter whatsoever and may invite any member of the Association not being a member of the Committee to serve on any such Sub-Committee, or may consult any outside authority if for any special reason such a course may seem to them advisable.

76. Sub-Committees other than a Sub-Committee appointed under Rule 74 shall have no executive or substantive power or authority, and the duty of every Sub-Committee shall be to report to the Committee the result of its investigations, deliberations or other proceedings.

Duties of Secretary & Assistant Secretary.

77. A Secretary of the Association shall be appointed and his remuneration shall be fixed by the Committee. The Secretary shall devote himself entirely to the business and affairs of the Association except in cases where he has received the special permission of the Committee. He shall have charge of all correspondence and shall keep an account of the funds of the Association and of funds connected with or in any way controlled by the

Association. He shall have the care of the rooms, furniture, library, pictures and of all documents belonging to the Association. He shall give notice as desired by the Chairman or Deputy Chairman of all meetings of the Association, of the Committee, of the Departmental Committees and Sub-Committees of the Association and of all Associations working in connection with the Association. He shall duly notify members of their election, collect all dues from members of the Association or from any Committee or any Association working in connection with the Association. He shall prepare the Annual Report of the Association and the reports of all Committees and of all Associations connected with the Association under the guidance of the Chairman and the Committee and generally shall perform all such duties as are incidental to his office and generally act under the orders of the Chairman or in his absence of the Deputy Chairman and the Committee. In all matters appertaining to the detailed duties of his office as above enumerated he shall follow the policy and instructions laid down by the Chairman or in the absence of the Chairman by the Deputy Chairman.

78. An Assistant Secretary of the Association may be appointed, and if so appointed, his remuneration shall be fixed by the Committee. The Assistant Secretary shall during any temporary absence of the Secretary owing to sickness or any other cause or during the absence of the Secretary on leave perform all or any of the duties of the Secretary as may be assigned to him.

79. Minutes of all proceedings of the Committee shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time. **Minutes Book of the Committee.**

80. A general meeting of the members of the Association to be called the Annual General Meeting shall be held in each year at such time as the Committee may appoint. **General Meetings of members.**

81. The Committee may also at any time call a General Meeting should it seem to them expedient to do so.

82. If any four members of the Association shall by a requisition in writing signed by the said four members respectively addressed to the Committee and containing a statement of their reasons for the requisition request the Committee to call a General Meeting of the members of the Association the Committee shall call such General Meeting to be held within fourteen days after the receipt by the Committee of the said requisition, and if the Committee shall refuse or neglect to call such General Meeting to be held within the time aforesaid, the said four members who shall have signed the said requisition, shall have power themselves to call such General Meeting to be held on such day as they themselves shall appoint.

83. Seven clear days' notice of every Annual General Meeting shall be given by advertisement in at least one English and one vernacular newspaper published in Bombay and seven clear days' notice shall also be given to members of every Special General Meeting, except Urgent General Meetings specially convened by the Chairman or the Committee.

84. No business shall be transacted at any General Meeting unless a quorum according to these rules shall be present at such meeting.

85. At any General Meeting a quorum shall be constituted if the number of votes of the members represented at the meeting shall exceed 25 per cent. of the total number of votes of all the members for the time being of the Association.

86. If on the day originally appointed for holding a General Meeting a quorum according to these rules shall not, within thirty minutes of the time appointed for the commencement of the meeting, be present, the meeting shall be adjourned to such time on such day not being less than 10 days thereafter as the Committee may determine and if a quorum shall not, within fifteen minutes after the time appointed for the commencement of such adjourned meeting, be present, the members then present shall constitute a quorum and may transact the business for which the meeting was convened.

87. Whenever any meeting shall be adjourned under Rule 86 on the ground that a quorum was not present within the prescribed time, seven clear days' notice shall be given by the Committee by advertisement in at least one English and one Vernacular newspaper published in Bombay of the day and time to which such meeting shall have been adjourned.

88. The Chairman of the Committee shall, if present, preside at all General Meetings of the members of the Association held during his term of office. In the absence of the Chairman, the Deputy Chairman shall preside, and, failing both of these, the chair shall be taken by one of the members of the Committee, who shall be appointed by the other members of the Committee, present at such meeting.

89. The voting at any General Meeting shall be in the first instance, by show of hands, but this shall not preclude any member present from demanding a poll. If a poll is demanded the number of votes to which each member shall be entitled shall be calculated in accordance with Rule 6. The result of a poll shall supersede a vote taken by show of hands. In the case of a tie in voting at any General Meeting the Chairman for the time being of the meeting shall have a casting vote.

90. Minutes of all proceedings at every General Meeting of the members of the Association shall be made and shall be entered or caused to be entered regularly by the Secretary in a Minute Book to be kept by him. This book shall be open to the inspection of any member of the Association at any reasonable time.

91. Every resolution which shall have been duly passed according to these rules at any General Meeting of the members of the Association shall be binding upon all the members of the Association.

Special General Meeting for concerted general action.

92. All proposals or recommendations for concerted general action respecting the mills which the Committee of the Association may consider to be concerned in respect to a strike, lockout, short-time working or organized lessening of production, payment of bonus, increases or reductions in wages, or any other matter whatsoever, shall only be adopted if passed by a majority of not less than 85 per cent. of the votes cast at a Special General Meeting duly called for the purpose of considering such proposals or recommendations.

Expulsion of members for contravening resolutions adopted at the General Meeting.

93. Any member of the Association who shall contravene the terms of any proposal which has been approved and adopted by the members of the Association under Rule 92 hereof shall be liable to be summarily expelled from the Association by a resolution of the Committee declaring that such member is expelled; provided that such resolution shall be passed by a majority of not less than three-fourths of the members of the Committee present at a Special Meeting called for the purpose of considering such contravention.

94. Whenever a resolution shall have been passed as in the last preceding rule mentioned such resolution shall be final and conclusive and the member thereby declared to be expelled shall thenceforth cease to be a member of the Association, and shall not be entitled to claim from the Association any refund on account of subscription which may have already been paid.

95. A firm or Joint Stock Company or other Corporation which shall be expelled under the last preceding rule shall be eligible for re-election after the expiry of six months from the date of expulsion provided not less than three members in addition to the proposer and seconder concur in the proposal for re-election.

Funds and properties of the Association.

96. The control of the funds of the Association shall be vested in the Committee, who in addition to the powers expressly conferred on them by these rules may exercise all such powers, and do all such acts and things as may be exercised or done by the Association and are not hereby or by law expressly directed or required to be exercised or done by the Association in General Meeting, and in particular may from time to time at their discretion raise or borrow or secure the repayment of any sum or sums of money in all respects as they think fit.

97. If at any time during the year the funds at the disposal of the Committee are insufficient or are likely to be insufficient to defray the estimated expenditure for the remaining portion of the year, then the Committee shall, in such case, call a General Meeting of the members of the Association and lay the accounts of the Association before such meeting.

98. The Committee shall cause proper books of account to be kept of the transactions of the Association and of the assets, credits and liabilities thereof, which books of account shall be kept at the office of the Association or at such place or places, and in the charge of such person or persons as the Committee may from time to time direct.

99. At least seven days previous to each Annual General Meeting of members of the Association the Committee shall send to each member of the Association a duly audited income and expenditure account, and a balance sheet, containing a summary of the property and liabilities of the Association and made up to the 31st December of the year immediately preceding the meeting, and such account and balance sheet shall be laid before the members at the Annual General Meeting of the Association in each year.

100. The Committee for the time being shall have power to invest and deal with any of the moneys of the Association not immediately required for the purposes thereof in such securities and in such manner as they may think fit and from time to time to vary or realize such investments.

101. The Committee shall have the power to determine the manner in which bills, loans, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by and on behalf of the Association.

102. There shall be two Trustees of the Association and the first Trustees shall be Mr. H. P. Mody and Mr. Ratansi D. Morarji. Subsequent Trustees shall be appointed by resolution of the Committee. Any person for the time being entitled to act and vote for a member shall be eligible as a Trustee. Any Trustee who shall cease to be entitled to act and vote for a member shall *ipso facto* cease to be a Trustee. Any Trustee may be removed by a majority of three-fourths of the members of the Association present at a meeting duly convened for the purpose of considering such removal.

103. All the funds and properties of the Association shall be vested in the Trustees who shall have the custody of all securities and documents of title relating thereto and shall deal with and dispose of the same and the income thereof in accordance with the written directions from time to time given to them by the Committee for the time being.

Responsibility of the Chairman, Deputy Chairman, Secretary & members of the Committee.

104. Neither the Chairman, Deputy Chairman, nor any ordinary member of the Committee nor the Secretary nor any Trustee shall be answerable for anything other than his own acts or defaults, nor shall he be answerable for any act done by him for the sake of conformity only, nor for any moneys of the Association other than such as shall come into his own hands, nor for any collector or receiver of moneys appointed by the Committee, nor for any misfortune, loss or damage happening to the Association by reason of any deed done or executed by him as a Chairman, Deputy Chairman or ordinary member of the Committee or as Secretary or Trustee, nor by reason of any error in judgment or mere indiscretion on his part in the performance of his duties, nor otherwise on any account, except for wilful negligence or fraud. Every person being Chairman, Deputy Chairman, or an ordinary member of the Committee or Secretary or Trustee of the Association, his heirs, executors or administrators shall at all times be indemnified and saved harmless out of the funds of the Association from and against all costs, losses, damages and expenses whatsoever incurred or sustained by him in the execution of his power or duties, and every person having been or being a Chairman, Deputy Chairman, or ordinary member of Committee or Secretary or Trustee of the Association, his heirs, executors and administrators shall be indemnified and saved harmless out of the funds of the Association against all actions, suits, claims and demands whatsoever brought or made against him or them in respect of any engagement of the Association save such as may be incurred by his own personal wilful neglect or default.

The date when the rules come into force & the mode of altering the rules.

105. These rules shall come into force on the First day of March 1925 on which date the present rules shall stand cancelled. No alterations in these rules shall be made save and except by a majority of not less than three-fourths of the votes cast at a General Meeting of the members of the Association duly convened and held for the purpose of considering such alteration, the terms of which shall have been fully set forth in the notice convening the meeting.

RULES FOR THE REGISTRATION OF TRADE MARKS.

Revised and adopted down to the Annual General Meeting of the Association held on 3rd March 1927.

1. Throughout all these rules the following words shall bear and include the following meanings:— Interpretation.

(*a*) 'The Association' means the Bombay Millowners' Association.

(*b*) 'Member' means a member of the Bombay Millowners' Association.

(*c*) 'The Secretary' means the Secretary of the Bombay Millowners' Association.

(*d*) 'The Managing Committee' means the Managing Committee of the Bombay Millowners' Association.

(*e*) 'Trade mark' includes 'ticket' and 'stamp.'

(*f*) 'Colourable imitation' includes a trade mark, which is likely to become known by or to acquire the same name as that by which another trade mark is already known or which such other trade mark has already acquired.

2. For the purposes of these rules a registrable trade mark must consist of a distinctive mark, device or design not being a name, signature or word or words (invented or otherwise) either alone or in combination with one or more of the following:— Essentials of a registrable trade mark.

(*a*) The name of a Company, individual or firm represented in a special or particular manner.

(*b*) An invented word or invented words.

(*c*) A word or words having no direct reference to the character or quality of the goods and not being according to its ordinary signification a geographical name or surname.

Provided—

(1) that any trade mark registered in the Permanent Register of the Association prior to the 31st March 1924 shall be registrable as a trade mark under this rule;

(2) that no trade mark shall be accepted for registration which contains or consists of any scandalous design, or any matter the use of which would by reason of its being calculated to deceive or otherwise be disentitled to protection in a Court of Justice, or would be contrary to law or morality;

(3) that no trade mark shall be accepted for registration which contains or consists of a representation of the Royal Arms (or Arms so closely resembling the Royal Arms as to be calculated to deceive), or of a photograph or photographs of any member or members of the Royal Family.

3. All goods to which these rules apply shall be divided into the following classes:— Classification of goods.

Class 1.—Cotton yarns and threads being either grey or bleached.

Class 2.—Cotton yarns and threads being coloured either in whole or in part.

Class 3.—Cotton piecegoods of all kinds.

Registers.

4. The Association shall keep two registers, one of which shall be called ' The Permanent Register ' and the other ' The Suspense Register.'

Duty of members to register trade marks and mode of applying to register same.

5. Every member shall send to the Secretary an application in writing addressed to the Secretary and signed by the member or by some person duly authorized to sign the same on behalf of the member, to register with the Association every trade mark, not already registered by such member with the Association, which is or is to be the property of such member and which such member desires to apply to any produce of the mill or mills, factory or factories, owned by such member.

6. Every such application shall specify the name by which the trade mark to which the application relates is intended to be known and the class or classes of goods to which the trade mark is intended to be applied and shall be accompanied by one copy of the trade mark for the use of the Association and also by such further number of copies thereof as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members.

7. Every member shall send to the Secretary such number of copies of every trade mark which is the property of a dealer dealing with such member, and which such member intends to apply to any produce of the mill or mills, factory or factories, owned by such member as the Managing Committee may from time to time prescribe in that behalf, regard being had to the total number of members, accompanied by a statement in writing specifying the name by which any such trade mark is intended to be known, and the class or classes of goods to which the trade mark is intended to be applied. The Secretary shall so soon as may be after the receipt thereof send to every member a copy of such trade mark together with a copy of such statement.

Secretary to enter every trade mark which a member shall apply to register in the Suspense Register.

8. The Secretary shall forthwith on receipt of an application for registration of a trade mark with the Association made in conformity with these rules enter the said trade mark in the ' Suspense Register ' for use on goods of the class or classes specified in the application.

Notice of every application to register a trade mark to be sent to every member.

9. The Secretary shall so soon as may be after any application shall have been made for the registration of any trade mark with the Association, send to every member a copy of such application with an intimation of the date when it was made and that such trade mark has been entered in the Suspense Register and shall also send with such intimation one copy of such trade mark, and also if the application shall have been accompanied by a notification in conformity with Rule 21 that the member, who shall have made the application, is not willing to refer to arbitration any matter relating to the application, one copy of such notification and shall after the expiration of three weeks from the date of the despatch of such intimation send a reminder to each member who shall not in the interval have acknowledged the receipt of such intimation or otherwise intimated that such intimation has been received by such member.

Effect of entry of trade mark in Suspense Register.

10. The entry of a trade mark in the Suspense Register shall not confer upon the member upon whose application the same shall have been so entered any right against any other member in respect of the trade mark so entered save and except a right to apply for the removal of any other trade mark from the Suspense Register as in Rule 11 hereinafter set forth.

Applications for removal of trade mark from the Suspense Register.

11. Any member may apply that any trade mark which has been entered in the Suspense Register may be removed therefrom on the ground that it is an imitation colourable or otherwise of another trade mark which at the time of the entry of the trade mark objected to was then already in the Suspense Register and had been entered therein on application of the member applying for such removal and was intended to be applied to the same class or classes of goods as the class or classes to which the trade mark objected to is intended to be applied.

12. Every application for removal of a trade mark from the Suspense Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the ground on which the same is made.

13. Every application for removal of a trade mark from the Suspense Register shall be determined in the manner hereinafter prescribed; and if, when the same shall have been so determined, the application shall be upheld, the trade mark for the removal of which the application shall have been made, shall forthwith be removed from the Suspense Register.

Objections to entry of a trade mark in the Permanent Register.

14. Any member may object to any trade mark being entered in the Permanent Register on the ground that such trade mark is an imitation colourable or otherwise of a trade mark which has already, on the application of such objecting member, been entered in the Permanent Register for use on goods of a class or classes similar to the class or classes of goods to which the trade mark, in respect of which an application has been made, is intended to be applied, and that such trade mark, so already entered, is habitually applied by such objecting member to such class or classes of goods.

15. Every such objection shall be made within one month after the application to register the trade mark objected to shall have been made and shall be in writing addressed to the Secretary and signed by the objecting member or by some person duly authorized to sign on behalf of the objecting member and shall set forth the grounds of objection.

16. Any member may within three calendar months from the date of his becoming a member for the first time apply that any trade mark which shall have been registered in the Permanent Register, at any time before the expiration of the said period of three months, shall be removed therefrom on the ground—

That the trade mark so already registered in the Permanent Register is an imitation colourable or otherwise of a trade mark for the registration of which such member has applied for use on goods of a class or classes similar to the class or classes of goods to which the trade mark so already registered in the Permanent Register is applied, and that such trade mark for the registration of which such newly joined member has so applied as aforesaid has been habitually applied by such newly joined member to the said class or classes of goods.

17. When any member being the owner of a mill shall have ceased to be a member for any reason, other than expulsion, and shall subsequently again become a member by virtue of the ownership of the same mill, or, when any mill, being the property of a member, shall have passed to a new owner and such new owner shall become a member by virtue of the ownership of the said mill, such member, who shall have again become a member, may at any time, within one month from the date of his having so again become a member or such new owner, who shall have become a member, may at any time within one month from the date of his becoming a member apply—

(*a*) That a trade mark which shall have been entered in the Permanent Register subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, shall be removed from the Permanent Register;

or

(*b*) That if any trade mark shall have been or shall be entered in the Permanent Register in compliance with an application for the registration of the same which has been made subsequent to the date on which such member shall have ceased as aforesaid to be a member but prior to the date of the application under this rule, or subsequent to the date when such mill as aforesaid passed to such new owner as aforesaid but prior to the date of the application under this rule, as the case may be, the said trade mark shall be removed from the Permanent Register, on the ground either in the case (*a*) or in the case (*b*)—

That the said trade mark is an imitation colourable or otherwise of a trade mark previously registered with the Association by the member who shall have so ceased to be a member as aforesaid or by the member who was for the time being the owner of the mill which has so passed to a new owner as aforesaid for use on goods of a class or classes similar to the class or classes of goods for use on which the trade mark so objected to shall have been registered and that a fresh application for the registration of the mark so previously registered as aforesaid has been made by the applicant.

18. Every application for removal of a trade mark from the Permanent Register shall be made in writing addressed to the Secretary and signed by the applicant or by some person duly authorized to sign on behalf of the applicant and shall set forth the grounds on which the same is made.

19. Every application under Rules 16 and 17 for removal of a trade mark from the Permanent Register shall be accompanied by twelve or such other number of copies as the Managing Committee may from time to time prescribe of the trade mark said by the applicant to have been previously registered with the Association.

20. If any member, being the owner of a trade mark which shall have been registered in the Permanent Register shall so alter the trade mark as in the opinion of a majority of the Trade Marks Sub-Committee to render it likely to deceive, or materially different, either in name or design, from the registered trade mark, and shall use the mark so altered on goods of a class or classes similar to the class or classes of goods for use on which registration of the original mark was obtained, the member concerned may be required to apply in the manner prescribed for registration of the altered trade mark as a new trade mark and in default of compliance with any such requisition within one month after receipt thereof by the member concerned, the altered trade mark shall be deemed an unregistered trade mark.

Liberty to refuse to refer to arbitration in certain cases.

21. Notwithstanding anything contained in these rules or in the Form of Adherence prescribed under Rule 36 of the Rules and Regulations of the Association any member who shall have become a member for the first time may send a notification in writing addressed to the Secretary with any application, made by such member, to register a trade mark, which shall be sent to the Secretary within one month from the date when such member shall have become a member notifying that he is not willing to refer to arbitration any matter relating to the application with which the notification is sent; and whenever any such notification is sent as aforesaid no member shall in the matter to which the notification relates be bound by the rules relating to arbitration.

22. In like manner, notwithstanding anything contained in these rules or in the Form of Adherence in Rule 36 mentioned, if any member who shall have received notice of any application to register a trade mark, which shall have been sent to the Secretary, by a member who shall have become a member for the first time, within one month from the date when such member shall have become a member shall object, in the manner prescribed by these rules, to the said trade mark being entered in the Permanent Register on the ground specified in Rule 14, such objecting member may send with such objection, a notification in writing addressed to the Secretary notifying that he is not willing to refer to arbitration any matter relating to such objection to the application of which he shall have so received notice as aforesaid and specifying such application and objection; and whenever any such notification is sent no member shall in the matter to which such notification relates be bound by the rules relating to arbitration.

Provided always that if a member who shall have become a member for the first time shall prove to the satisfaction of the Managing Committee that for a period of not less than five consecutive years immediately preceding the date when such member shall have become a member he has habitually applied the said trade mark to goods of a class or classes similar to the class or classes of goods to which such objecting member shall have habitually applied the trade mark of which the said trade mark is alleged by such objecting member to be an imitation colourable or otherwise then such objecting member shall be deemed to have

sent to the Secretary such a notification in writing as above mentioned, and the provisions of Rules 37 to 43 (inclusive) so far as the same are applicable shall forthwith operate and have effect.

Determination of questions relating to any application to register a trade mark or to any application to remove a trade mark from the Suspense Register or from the Permanent Register, as to which notice of refusal to refer to arbitration has not been given.

23. All questions in dispute between two members arising out of or incidental to any

(*a*) application to register a trade mark,

(*b*) application to remove a trade mark from the Suspense Register,

(*c*) application to remove a trade mark from the Permanent Register,

shall, if no such notice, as is permitted by these rules, of unwillingness to refer to arbitration shall have been given in connection with the same, be determined by arbitration in the manner prescribed by the following rules :—

24. Either member may give the other member notice of the appointment of an arbitrator on behalf of the member giving such notice and may call upon such other member to appoint and to notify to the member who shall give the notice of the appointment of an arbitrator within seven days from the date of the giving of the notice; and on receipt of such notice such other member must, if he should desire to appoint an arbitrator, appoint him within seven days from the receipt of such notice and notify such appointment within the same time to the member from whom he shall have received the notice to appoint an arbitrator.

25. If the member to whom such notice as in Rule 24 mentioned shall have been given fail to appoint and to notify to the member who shall have given the notice of the appointment of an arbitrator within seven days from the service of the notice upon him the matter in dispute shall stand referred to the arbitrator already appointed as sole arbitrator.

26. If a matter in dispute shall stand referred to an arbitrator as sole arbitrator he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him.

27. If two arbitrators shall be duly appointed in accordance with these rules, they shall within 3 days from the date when such one of them as was last appointed shall have been appointed and before proceeding with the reference appoint an umpire.

28. If two arbitrators and an umpire shall have been duly appointed, the two arbitrators shall, if they can agree upon their award, make their award within fourteen days after the appointment of the umpire.

29. If two arbitrators and an umpire shall have been duly appointed but the two arbitrators shall either fail to agree upon their award or fail to make it within fourteen days from the appointment of the umpire, the matter in dispute shall stand referred to the umpire.

30. When a matter in dispute shall stand referred to an umpire he shall make his award within fourteen days from the date when the matter in dispute shall stand referred to him.

31. If

(*a*) a matter in dispute shall stand referred to a sole arbitrator but such arbitrator shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him ;
or

(*b*) two arbitrators shall have been duly appointed but shall fail, from any cause whatever, to appoint an umpire within three days from the date of the appointment of such one of the arbitrators as shall have been last appointed ;
or

(c) a matter in dispute shall stand referred to an umpire but such umpire shall fail, from any cause whatever, to make his award within fourteen days from the date when the matter in dispute shall first stand referred to him;

the matter in dispute shall in any of such cases stand referred to a referee who shall be appointed by the Managing Committee.

32. When a matter in dispute shall stand referred to a referee he shall make his award within fourteen days from the date when the matter in dispute shall first stand referred to him and it shall be deemed to stand referred to him so soon as he shall have been informed of his appointment by the Managing Committee.

33. The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall, when he or they make an award, reduce it into writing, sign it and forward it to the Managing Committee who shall file it in a separate file, in which such awards shall alone be filed.

Fees on arbitrations.

34. Every award, whether made by a sole arbitrator, two arbitrators, an umpire or a referee, which shall be duly made under the authority of and in conformity with these rules, shall be conclusive and binding upon the parties to the arbitration in which the award was made and the Association shall give effect to it.

(a) No person shall be appointed an arbitrator, umpire or referee, under the foregoing rules, who shall not be either a member of the Association or a person entitled to act and vote on behalf of a member of the Association, and any appointment made in contravention of this rule shall be null and void.

35. The following fees on arbitrations shall be chargeable by the Association to members:—

(a) In cases where there is a sole arbitrator, Rs. 15, which shall be paid by the member who has failed to appoint an arbitrator within the time prescribed by these rules.

(b) In cases where each party has appointed one arbitrator, the sum of Rs. 30, whereof each member, a party to the arbitration, shall pay Rs. 15.

(c) In cases where an umpire is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

(d) In cases where a referee is appointed, Rs. 15, whereof each member, a party to the arbitration, shall pay Rs. 7-8-0.

The sole arbitrator, two arbitrators, umpire or referee, as the case may be, shall have power to direct by any award made by him or them under these rules that any fee paid by any member, a party to the arbitration in which such award shall have been made, shall be refunded to him by the other member, a party to the said arbitration.

36. The Association shall, whether the fees payable under these rules in connection with any arbitration shall have been duly paid to it or not, pay to each arbitrator, umpire and referee who shall have acted in such arbitration a fee of Rs. 15.

Procedure when any application made to register a trade mark, or any objection made to register a trade mark as to which notice of refusal to refer to arbitration has been given.

37. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, make

(a) any application to register a trade mark,

or

(b) any objection to a trade mark being entered in the Permanent Register,

accompanied by a notification that the member is not willing to refer to arbitration any matter relating to the application or objection, as the case may be, with which the notifica-

tion is sent, no steps shall be taken by the Association in the matter of the application or objection specified in such notification for a period of two months from the receipt by the Secretary of such notification.

38. Any member, who shall have made any such application or objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, may, at any time during the said period of two months in the said Rule 37 mentioned, institute legal proceedings either to establish the right of such member to the trade mark to which such application or objection relates or to restrain any other member from using such trade mark or to procure the punishment of such member for using the same and such proceedings may be taken either in a Civil or a Criminal Court.

39. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such application as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the application relates, the said application shall be rejected and the said trade mark be removed from the Suspense Register and shall not be entered in the Permanent Register.

40. If, in any case permitted by these rules, any member shall, in the manner prescribed by these rules, have made any such objection as in Rule 37 mentioned, accompanied by such a notification as in the said Rule 37 mentioned, and at the expiration of the said period of two months in the said Rule 37 mentioned, no such legal proceedings as in Rule 38 mentioned shall have been instituted in connection with the trade mark to which the objection relates, the said objection shall be rejected, and the application to register the trade mark, to which such objection relates, shall be dealt with under these rules, as if no such notification had been given.

41. If, within the said period of two months in Rule 37 mentioned, such legal proceedings as in Rule 38 mentioned shall have been instituted, no steps shall be taken in the matter of the application or objection concerning the trade mark to which such legal proccedings relate until such legal proceedings shall have been finally determined.

42. When such legal proceedings as in Rule 38 mentioned shall have been finally determined, if it shall have been held by the Court—

(*a*) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is an imitation colourable or otherwise of another trade mark, the trade mark so held to be an imitation colourable or otherwise shall not be registered ;

or, if it shall have been held by the Court—

(*b*) That a trade mark, to register which an application shall have been made, or in respect of which an objection to the same being entered in the Permanent Register shall have been made, is not an imitation colourable or otherwise of another trade mark, the same shall, if it be in the opinion of the Managing Committee a proper mark to be registered as a trade mark, be entered therein.

43. The production to the Managing Committee of a certified copy of a decree passed by a Civil Court of competent jurisdiction in British India from which no appeal lies or in respect of which the time for appealing has expired or the production of a certified copy of a judgment of a Criminal Court from which no appeal lies, or in respect of which the time for appealing has expired, shall be conclusive evidence of everything therein appearing to have been held, decided or found, and the Managing Committee shall act in accordance therewith.

All trade marks registered with the Association on or before the First day of April 1912 to be entered in the Permanent Register.

44. All trade marks which shall have been registered with the Association on or before the First day of April 1912 either under the Rules for Primary Registration or under the Rules for Secondary Registration, which were in force prior and down to the said First day of April 1912, shall be entered in the Permanent Register and shall be deemed respectively to have been entered therein as of the respective dates on which the same were originally registered with the Association.

Effect of entry of trade mark in Permanent Register.

45. Registration of a trade mark in the Permanent Register under these rules for use on goods of the class or classes specified in the entry in such register shall, *prima facie*, be held to secure to the said member an exclusive right as against all other members to the use of the said trade mark on goods of the class or classes so specified.

46. These rules shall come into force on the First day of April 1924 on which date they shall supersede all other rules relating to the Registration of Trade Marks.

RULES FOR THE REGISTRATION OF TRADE NUMBERS.

Adopted at the Special General Meeting of the Members of the Association held on 10th October 1932.

THE object of these Rules is to protect quality numbers used on cloth by member mills and registered with the Association, against all possible imitations and infringements. It has been recognised that this object can only be achieved by exercising systematic control over numbers introduced in future by members. The Rules will provide mills with a ready guide, which they can always consult before introducing a number, as to the minimum difference which has to be maintained between a number already registered and a number proposed for registration. It should be clearly understood, however, that the maintenance of the differences referred to in Rule 16 will not necessarily result in a member obtaining a certificate of registration from the Association. The real test of registrability will be whether a number is likely to become known by or acquire the same name, or be passed off as another number already registered with the Association.

1. These Rules shall be called the "Rules for the Registration of Trade Numbers" and shall come into force on the 1st day of January 1933.

2. Throughout these Rules, the following words shall bear and include the following meanings, namely :— **Definitions.**

(*a*) "The Association" means "The Millowners' Association, Bombay."

(*b*) "Member" means a member of the Millowners' Association, Bombay.

(*c*) "The Secretary" means "The Secretary of the Millowners' Association, Bombay."

(*d*) "Number" means and includes :—

(*i*) ANY COMBINATION OF NUMBERS of not less than two nor more than six digits.

(*ii*) ANY COMBINATION OF LETTERS of not less than two nor more than six letters.

(*iii*) ANY COMBINATION OF NUMBERS AND LETTERS of not more than eight digits, a letter representing a digit.

(*iv*) ANY NUMBER FRACTION of not more than eight digits in the numerator and denominator together.

(*v*) ANY LETTER FRACTION of not more than eight letters in the numerator and denominator together.

(*vi*) ANY COMBINED LETTER AND NUMBER FRACTION of not more than eight digits (each letter representing a digit) in the numerator and denominator together.

(*vii*) ANY COMBINATION OF NUMBERS AND FRACTIONS of not more than six digits, each fraction representing a digit.

(*viii*) ANY COMBINATION OF NUMBERS, LETTERS AND FRACTIONS of not more than eight digits, each letter and fraction representing a digit.

3. The following combinations shall not be capable of registration, namely :— **Unregistrable Numbers.**

(*a*) A combination of numbers and letters ending with a fraction of more than one digit in the numerator and the denominator;

(*b*) A combination of numbers and/or letters representing cloth dimensions;

(*c*) A combination of letters making a word.

Portion of Number relating to design, etc.

4. Where a portion of a number submitted for registration relates to the design, colour or border of the cloth on which it is used, or indicates that the cloth on which it is used is dyed, bleached, calendered, etc., that portion of the number shall not be capable of registration, but will be recorded against the number in the Exclusive Register.

Registers.

5. The Association shall keep two Registers, one of which shall be called the "Exclusive Register" and the other the "Suspense Register."

Suspense Register.

6. There shall forthwith be entered in the Suspense Register all numbers which prior to the 1st April 1930, were being used by more than one member on the same class or classes of goods, together with the names of the emmbers by whom and the class or classes of goods on which such numbers were being so used.

Effect of entry in Suspense Register.

7. The entry of a number in the Suspense Register shall not confer upon the members whose names shall be entered therein as the users of such number prior to the 1st April 1930, any right against any other member in respect of the number so entered.

Agreement as to user of numbers in Suspense Register.

8. If and when the members whose names shall be entered in the Suspense Register as the users of a number on the same class or classes of goods prior to the 1st April 1930, shall agree that the number in question shall henceforth be the exclusive property of one of them for use on a particular class of goods, and shall signify such agreement in writing to the Secretary signed by all of them, the Secretary shall forthwith enter the number in the Exclusive Register together with the name of the member entitled under such agreement to the exclusive use of the number on the particular class of goods on which it is to be used.

Exclusive Register (Old Numbers).

9. There shall forthwith be entered in the Exclusive Register every number which, prior to the 1st April 1930, was being used exclusively by a member on a particular class or particular classes of goods together with the name of the member by whom and the class or classes of goods on which such number was being used.

Exclusive Register (Intermediate Numbers).

10. Every number introduced by a member for use on any class of goods after the 1st April 1930, but before the date on which these Rules shall come into force, shall, provided such number differs in any respect from any number already registered in the Suspense Register or the Exclusive Register, forthwith be entered in the Exclusive Register together with the name of the member by whom and the class or classes of goods on which such number is entitled to be exclusively used.

Exclusive Register (New Numbers).

11. Every number which shall, after the date on which these Rules shall come into force, be certified for registration under these Rules shall forthwith be entered in the Exclusive Register together with the name of the member by whom and the class or classes of goods on which such number is entitled to be exclusively used.

Effect of entry in Exclusive Register.

12. Registration of an old or new number in the Exclusive Register under these Rules for use on goods of the class or classes specified in the entry in such register shall *prima facie* be held to secure to the said member an exclusive right as against all other members to the use of the said number on goods of the class or classes so specified.

Use of New Number.

13. A new number shall not be used by any member after the date on which these Rules shall come into force until he shall have obtained from the Secretary a certificate of registration of the number under these Rules.

Form of Application for Registration.

14. An application for the registration of a new number shall be signed by a Director, or the Secretary or other principal officer of the applicant member, and shall be addressed and

sent to the Secretary at the office of the Association for the time being, accompanied by a sample of the cloth upon which the number is intended to be used. The application shall specify :—

(*i*) The number to be registered ;

(*ii*) The class of cloth on which the number is intended to be used ;

(*iii*) The dimensional particulars of the cloth on which the number is intended to be used ; and

(*iv*) Whether any, and if so, which portion of the number submitted for registration refers to the design, border or width of the cloth, or indicates that it is bleached, dyed or calendered.

A separate application must be made for each class of goods.

Search by Secretary.

15. Upon receipt of an application for registration of a new number, the Secretary, if satisfied that the number is capable of registration under these Rules, shall cause a search to be made amongst the numbers registered in the Suspense Register and the Exclusive Register for the purpose of ascertaining whether there are on record any numbers for the same goods or description of goods identical with the number applied for or so nearly resembling it as to be calculated to deceive.

What is calculated to deceive.

16. A number shall be deemed to be so nearly resembling a registered number as to be calculated to deceive if it does not differ from the registered number :—

(*i*) in the case of a number not exceeding four digits, in at least one corresponding digit ;

(*ii*) in the case of a number of five digits, in at least two corresponding digits ;

(*iii*) in the case of a number of six digits, in at least three corresponding digits ;

(*iv*) in the case of a letter number of two letter digits, in at least one corresponding letter digit ;

(*v*) in the case of a letter number of three or four letter digits, in at least two corresponding letter digits ;

(*vi*) in the case of a letter number of five or six letter digits, in at least three corresponding letter digits ;

(*vii*) in the case of a number consisting of one letter digit and one number digit, in at least one corresponding digit ;

(*viii*) in the case of a number consisting of one letter digit and two or three number digits, in at least one corresponding number digit ;

(*ix*) in the case of a number consisting of one letter digit and four or more number digits, in at least two corresponding digits ;

(*x*) in the case of a number consisting of two or more letter digits and one or more number digits, in at least one corresponding letter digit and one corresponding number digit ;

(*xi*) in the case of a number fraction, in which the total number of digits in the numerator and denominator is three or four, in at least one digit from either the numerator or denominator ;

(*xii*) in the case of a number fraction in which the total number of digits in the numerator and denominator is five or more, in at least one corresponding digit in the numerator and one corresponding digit in the denominator, or two corresponding digits in either the numerator or the denominator ;

PROVIDED that no fractions of less than three digits in the numerator and denominator together will be accepted for registration.

Sub-rule (*xi*) applies also to letter fractions and letter and number fractions where the total number of letters is three or four ; and sub-rule (*xii*) applies where the total number of digits in the numerator and denominator is five or more.

(*xiii*) in the case of a combination consisting of a number and fraction :—

(*a*) where the number portion consists of not more than four digits, in at least one corresponding digit ;

(*b*) where the number portion consists of five or more digits, in at least two corresponding digits ;

PROVIDED always that a combination of a number and a fraction shall not be capable of registration if the number portion is already registered.

(*xiv*) in combinations of letters, numbers and fractions :—

(*a*) where the total number of digits, excluding the fractional digit, is not more than three, in one corresponding digit ;

(*b*) where the total number of digits excluding the fractional digit is four or more, in at least two corresponding digits ;

PROVIDED that the restrictions mentioned in this rule are not applicable to "BALANCED NUMBERS."

17. *The standards set forth in Rule* 16 *shall constitute the minimum requirements in each case, and the Trade Marks Sub-Committee or the Arbitrators as the case may be, shall, in the event of an appeal or arbitration, take into consideration such other factors or possibilities directly bearing on the question as may appear to them feasible. They shall in all cases consider whether the number which forms the subject of appeal or arbitration is likely to become known by or acquire the same name, or is likely to be passed off as another number already registered with the Association.*

Temporary Certificate.

18. (*a*) After such search as aforesaid, the Secretary shall either reject the application, if he shall be satisfied that the number in question is not capable of registration under these Rules, or, if he shall be satisfied that the number in question is capable of registration under these Rules, he shall issue to the applicant a Temporary Certificate intimating that the number has been accepted by the Association as registrable under these Rules.

(*b*) The Secretary shall publish at the end of every week a list of the numbers in respect of which temporary certificates have been issued since the last publication together with the names of the members to whom such certificates have been issued and the classes of cloth on which it is intended that such numbers shall be used.

Certificate of registration.

(*c*) If no objection to the registration of any such number on the ground that apart from these Rules, the number is likely to lead to deception in the market shall be received by the Secretary in writing within ten days after such publication, the Secretary shall forthwith thereafter issue to the applicant in exchange for the Temporary Certificate previously issued to him a certificate of registration which shall be conclusive evidence of the fact that the use of the number in question has been authorised. If any such objection as aforesaid shall be received by the Secretary within the prescribed period, he shall reject the application.

Notice of rejection to be given to applicant.

19. If as the result of such search or any objection as aforesaid an application is rejected, the Secretary shall send to the applicant a statement in writing of the reasons for such rejection, and if within two weeks from the date of the communication notifying such rejection, the applicant does not give notice of appeal he shall be deemed to have withdrawn his application.

Appeal.

20. (*a*) An appeal against the rejection of an application by the Secretary of the Association on the ground that the use of the number has been objected to by another member of the Association shall be dealt with by arbitration in accordance with the procedure laid down in the rules for the registration of Trade Marks.

(*b*) An appeal against the rejection of an application by the Secretary of the Association on the ground that the number is likely to be passed off as a number already registered by another member shall lie to the Trade Marks Sub-Committee of the Association.

Fees for Registration.

21. The Committee of the Association shall from time to time prescribe such fees as they consider necessary for temporary certificates and certificates of registration.

Balanced Numbers.

22. A "Balanced Number" means a number consisting of not less than three nor more than seven identical digits (numbers or letters.) A "Balanced Number" shall not be capable of registration under these Rules unless it comprises at least 2 more or 2 less digits than a "Balanced Number" of the same series already registered either in the Suspense Register or the Exclusive Register.

Rejection of Number likely to bear same name as a registered number.

23. It shall be lawful for the Secretary, subject to appeal to the Trade Marks Sub-Committee, to reject an application for registration of a number which would otherwise be capable of registration under these Rules, if, in his opinion, it is likely to lead to deception in the market in regard to a number already registered.

Numbers excluded from operation of Rules.

24. (*a*) These Rules shall not apply to numbers introduced by members prior to their becoming members, if they shall become members for the first time after the date on which these Rules shall come into force. Such numbers shall be capable of registration provided they differ from numbers already registered and are submitted for registration within one month after the date on which the member became a member.

(*b*) Where a number submitted by a member within one month after the date on which he became a member corresponds exactly with a number already registered in the Exclusive Register or the Suspense Register, the fact will be communicated to such member with a request to settle the rights in respect of that number by direct negotiation with the member or members interested in the registered number.

(*c*) An application for the registration of a number submitted more than one month after the date on which the applicant became a member will be governed by these Rules.

RULES FOR ARBITRATIONS ON INDIAN PIECEGOODS AND YARN.

PREAMBLE.—Whereas it is desirable that disputes and differences arising out of contracts for the sale and purchase of Indian piecegoods and yarn which it is desired to submit to arbitration in accordance with the Rules of the Millowners' Association, Bombay, shall be speedily and economically decided by competent practical authorities on Indian piecegoods, and with that end in view the following Rules have been framed for the conduct of such arbitrations.

1. In these rules unless the context otherwise requires :—

"The Association" means The Millowners' Association, Bombay.

"The Committee" means the Committee for the time being of the Association.

"Member" means a member of the Association.

"The Secretary" means the Secretary or Acting Secretary for the time being of the Association.

Words importing the singular number only shall include the plural, and the converse shall also apply.

2. These rules shall apply to any dispute or difference arising out of contracts for the sale and purchase of Indian piecegoods and yarn entered into between members and merchants and between the selling agents of members and merchants, which specifically provide for arbitration in accordance with these rules, and also to any dispute or difference arising out of similar contracts entered into between any other parties who shall have applied in writing to the Secretary to have such dispute or difference decided by arbitration in accordance with these rules, and whose application shall have been sanctioned by the Committee.

Panel of Arbitrators.

3. The Committee shall select triennially a panel of Arbitrators consisting of 30 persons, of whom fifteen shall be selected from representatives of members and fifteen shall be selected in consultation with the Bombay Country Fancy and Grey Piecegoods Merchants' Association, from dealers in Indian-made piecegoods.

Panel of Umpires.

4. The Committee shall also select triennially from the panel of Arbitrators selected in accordance with Rule 3, a panel of six persons to act as Umpires.

5. If a member of the Arbitration or Umpire panel shall resign or refuse to act or become incapable of acting or shall die, the Committee shall forthwith select in accordance with Rule 3 or Rule 4 as the case may be some other person to fill the vacancy so caused.

6. The Secretary shall keep a record, in the form, from time to time prescribed by the Committee, of all arbitrations conducted by the Association and of the awards made therein, and shall collect all fees in connection therewith and do all such things as are prescribed by or are necessary under these rules.

Appointment of Arbitrators.

7. (*a*) The parties to a dispute, may appoint an arbitrator selected from the panel of arbitrators to act as sole arbitrator or

Reference to sole arbitrator if second arbitrator not appointed within 10 days.

(*b*) Either party to the dispute may appoint an arbitrator selected as aforesaid to act on his behalf and the Secretary shall immediately upon receipt of notice of such appointment give written notice thereof to the other party and shall call upon the other party to appoint within 10 days of the receipt of such notice an arbitrator selected as aforesaid to act on his behalf, and if such other party shall fail to make such appointment within the prescribed period the dispute shall stand referred to the arbitrator appointed by the first party as sole arbitrator.

(*c*) No person shall be appointed to act as arbitrator under these Rules whose consent to so act shall not previously have been obtained. Arbitrators not to be appointed without previous consent.

(*d*) The appointment of an arbitrator under these rules shall be made on the form prescribed by the Association, which form shall be signed by the person making the appointment, and submitted to the Secretary for necessary action. Appointment of arbitrators to be made on the form prescribed by the Association.

(*e*) All applications for appointment of an arbitrator or arbitrators shall be accompanied by a deposit of Rs. 60, or such other sum as the Committee may direct, as a cover against the expenses of the arbitration;

Where the expenses of an arbitration remain unpaid by the party liable thereto for a period of 10 days after the award is made, the Secretary shall appropriate the deposit or a portion thereof towards the amount recoverable from the party. A refund of the amount of the deposit shall be made to the parties concerned on payment of all expenses of the arbitration in accordance with the terms of the award.

8. No party to a dispute shall appoint an arbitrator, and no person shall consent to act as arbitrator, who is or whose employers are interested directly or indirectly, in the subject-matter of the dispute. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect. Arbitrators to be disinterested.

9. When two arbitrators are appointed they shall, before proceeding with the reference, select from the panel of Umpires an umpire, who is willing to act, and communicate his name to the Secretary. Appointment of Umpire by arbitrators.

10. If the arbitrators are unable to agree as to the umpire they shall proceed with the reference and notify the Secretary of their disagreement, and the Committee shall thereupon select a person from the panel of Umpires to act as umpire. No person shall be appointed to act as umpire either by the arbitrators or the Committee who is or whose employers are interested either directly or indirectly in the subject-matter of the dispute. Any appointment made in contravention of this rule shall be deemed to be invalid and of no effect.

11. The arbitrators shall fix a time and place for the hearing of the reference and notify the Secretary thereof. The date so fixed shall be not later than 10 days after their appointment. The Secretary shall forthwith notify the parties of the time and place appointed.

12. Parties to the reference shall attend at the time and place appointed for the hearing of the reference, either in person, or (subject to the provisions of Rule 18) by any person duly authorised by them acquainted with all matters in dispute and they shall if so required by the arbitrators submit written statements of their respective cases to the arbitrators and answer all material questions relating to the dispute. Submission statements.

13. Parties to the reference shall, if required, submit to be examined by the arbitrators on oath or solemn affirmation or otherwise in relation to the matters in dispute.

14. At the time appointed for the reference the parties shall have ready at the rooms of the Association or elsewhere as directed the sale samples duly attested, and if required sample packages or complete bales. Samples, packages or bales so sent will be at the sender's risk and must be accompanied by a peon in charge and by a cooper to open the packages. Samples for inspection.

15. The parties to the reference and all persons claiming through them respectively shall produce before the arbitrators all books, deeds, papers, accounts, writings and documents within their possession or power which may be required or called for and do all other things which during the proceedings on the reference the arbitrators may require.

16. The arbitrators shall have general authority to require from either or both of the parties to the reference such further statements, explanations, and other information, evidence and materials as they may consider, necessary for the adjudication of the dispute

and may, in such a case, by endorsement on the reference paper, extend the time for making an award by a period not exceeding one English calendar month.

17. The arbitrators shall proceed with the reference and make an award *ex-parte* in the absence of any party who shall after due notice refuse or neglect to attend without having satisfied the arbitrators that good and sufficient reason exists for such neglect or refusal.

18. No party to a reference shall, without the express permission of the arbitrators, be entitled to appear by counsel, attorney, advocate or pleader, or insist on or require the arbitrators to hear or examine witnesses or receive oral or documentary evidence other than what is deemed necessary by the arbitrators.

19. The arbitrators may, before making a final award, and at the joint expense of the parties to the reference, consult counsel or solicitors to be selected by them on any question of law, evidence, practice or procedure arising in the course of the reference. In such cases the time for making an award may be extended for a period not exceeding 28 days.

20. The arbitrators shall make an award in writing in the form prescribed by the Association or notify their disagreement to the Secretary as early as possible and in any case within 28 days from the date of the first hearing of the reference or within the period of any permitted extension of time.

21. If the arbitrators fail to make an award or to agree upon their award within the prescribed period or any permitted extension thereof or if the arbitrators make an award on part only of the subject-matter of the reference, the Secretary shall forthwith call upon the umpire to enter upon the reference and the umpire shall thereupon proceed with the reference. The arbitrators shall, in such case, furnish the umpire with a brief statement of the facts of the case and their reasons for such failure to make an award or to agree upon their award or for awarding on part only of the subject-matter of the reference as the case may be.

22. The foregoing rules as to the practice and procedure before the arbitrators shall apply *mutatis mutandis* to the proceedings before the umpire.

23. If an arbitrator or umpire duly appointed neglects or refuses to act or is otherwise incapable of acting, or dies, a new arbitrator or umpire shall be appointed in accordance with the foregoing rules.

24. Parties to the reference shall do all acts necessary to enable the arbitrators or umpire to make a just and expeditious award, and shall not wilfully do or omit to do, or cause to be done or be omitted to be done, any act to delay or prevent the arbitrators or umpire in or from making an award. If either party shall be guilty of any such act or omission which delays the proceedings in any manner, the arbitrators or the umpire shall direct him to pay to the other party such costs as they or he may deem reasonable and may proceed with the hearing of the reference.

25. When a dispute stands referred to an umpire, he may proceed to adjudicate in the matter on the basis of the statement furnished to him by the arbitrators as provided by Rule 21 and shall make his award thereon within 14 days of his first entering on the reference or within the period of any permitted extension of time.

26. The arbitrators or umpire shall by their or his award determine exactly what they or he shall think fit to be done by either of the said parties, respecting the matters referred and shall direct to and by whom and in what manner and in what proportion the total costs of the reference and the award, including the fees payable to the arbitrators and umpire and the Association shall be paid.

27. All awards under these Rules shall be made in the forms prescribed therefor bearing stamps of the value laid down under the Indian Stamp Act or any other law for the time being in force and shall be lodged with the Secretary who shall send copies thereof to the parties.

28. Every award made under or in pursuance of these rules shall be final and binding on the parties to the reference and on their respective representatives notwithstanding death or legal disability occurring to any party, before or after the making of the award, and so that death or legal disability shall not operate as a revocation of the award.

29. Whenever an award directs that a certain act or thing shall be done by one party to the reference and such party fails to comply with the award, the party in whose favour the award was made may make an application for a further award determining the amount of damages or compensation payable by reason of such failure, and the Committee on receipt of such application shall proceed to appoint a sole arbitrator or two arbitrators and an umpire who may or may not be the same person or persons who made the first award. The arbitration on the said application shall then proceed in accordance with these rules and the award thereon may be filed separately or together with the original award.

30. Neither party to a dispute which has been submitted to arbitration under these rules shall bring or prosecute any suit or proceeding on any ground whatsoever against the arbitrators or the umpire, or the Secretary.

31. In respect of arbitrations conducted under these rules the following fees shall be paid by the parties to the reference or by those claiming under them, namely :—

(*a*) To a sole arbitrator a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.

(*b*) To each of two arbitrators a fee at the rate of Rs. 15 per hour or part thereof, subject to a maximum of Rs. 60 for each arbitrator.

(*c*) To an umpire a fee at the rate of Rs. 30 per hour or part thereof, subject to a maximum of Rs. 75.

(*d*) To the Association in every case a fee of Rs. 10.

32. If the parties to a reference shall take the reference out of the cognizance of the arbitrators or umpire, after the commencement of proceedings and before the publication of the award, they shall nevertheless be liable to pay fees to the arbitrators, umpire and Association at the rates specified in Rule 31 hereof.

33. A bill showing the amount due in respect of fees, stamp duties, etc., to the arbitrators, umpire and Association by each party to the dispute shall accompany any copy of the award sent in accordance with Rule 27, and shall be paid within seven days of the receipt thereof.

34. In addition to the fees mentioned in Rule 31, the parties to the dispute shall pay as and when demanded by the Secretary and as set out in the award, all other fees or charges incurred during the arbitration in accordance with Rule 19.

35. All notices required by these rules to be given shall be given in writing in the form prescribed by the Association and shall be sufficiently given if left at the last known place of abode or business of the party to whom the notice is addressed, or if sent by post prepaid addressed to him by name at such place of abode or business and not returned through the post as undelivered before the completion of the award and shall if sent by post be considered to have been given at the time at which the letter would, in the ordinary course, be delivered.

36. The provisions of the Indian Arbitration Act, 1899, or any modification or amendment thereof, or any other relevant Act for the time being in force, in so far as they are not inconsistent with these rules, shall apply to all arbitrations conducted by the Association.

37. These rules shall come into force on the Eleventh day of October 1932, on which date they shall supersede all previous rules relating to Arbitrations on Piecegoods.

STANDARD CONTRACT.

No._____ *Bombay,*_____

We, the undersigned (hereinafter called " the Buyers "), hereby agree to purchase from_____

_____

(hereinafter called " the Company "), the undermentioned goods upon the following terms and conditions, that is to say :—

Quality No.	Description.	Seasonal or non-seasonal.	Dimensions.			No. of Bales.	Pieces in each Bale.	Total pieces.	Total lbs.	Rate ex-mills.			Per lb./piece/yard.	Quality as.	Discount.	Brokerage.	Sahi.	Border.	Headings.	Designs.	Assortment of designs in each Bale.	Ticket or Stamps.
			In.	yds.	lbs.					Rs.	a	p.										

Delivery of the said goods shall be taken by the Buyers as follows :—

(Please turn over.)

THE TERMS AND CONDITIONS OF THE STANDARD CONTRACT FORM.

1. The quality of the goods shall, except in the case of a sale by sample, accord with the recognized standard quality cloth manufactured by the Company.

In the case of a sale by sample the buyers shall be deemed to have approved the sample furnished by the Company, unless the buyers shall within 4 days after the receipt of the sample intimate in writing to the contrary to the Company.

2. The Company does not guarantee, except where a particular assortment is specially stipulated, any fixed assortment in the deliveries of goods of various dimensions and patterns and bearing different numbers, and in such cases the buyers shall take delivery of and pay as herein agreed for all bales (not exceeding the contract quantity) from time to time ready for delivery regardless of the assortment.

3. Where the contract is for 100 bales or more, the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 10 per cent. more or less than the contract quantity, and where the contract is for less than 100 bales the buyers agree to accept at the price herein fixed an assortment of bales to the extent of 5 per cent. more or less than the contract quantity, but as regards such limits the buyers shall not be obliged to take up more than 5 bales more or less of each sort, including any loose pieces of each sort.

4. In the case of goods sold at a fixed rate per pound the buyers shall not raise any objection or claim compensation for short weight so long as the average weight per bale in each lot delivered does not vary from the invoice weight by more than 2 per cent. per bale. The Company does not guarantee the weight of any goods sold by the piece.

5. The buyers shall not be entitled to any allowance or compensation for any deficiency in the width of dyed, bleached and/or calendered goods when such deficiency does not exceed one inch.

6. In the case of a sale of ready goods payment therefor shall be made and delivery thereof taken by the buyers within 8 days of sale.

7. In the case of a sale of goods for future delivery, when the period of delivery extends to two months or more and the quantity deliverable per month is not specified, the Company shall supply the goods in approximately equal lots per month, and the buyers shall on the last day of each English calendar month take delivery and pay for in cash against delivery of as many bales, approximating to the quantities specified in the contract, as shall have been made ready during that month, and either at the mill premises or at the godowns of the Company as the Company may direct: Provided that in the case of bales of which delivery is required in Bombay, the Company will ordinarily be willing to give delivery through the Selling Agents of the Company in the market, but giving delivery in the market shall not render the Company liable to a claim by the buyers for late delivery if the bales were ready for delivery at the mill premises or the godowns of the Company on the last day of the aforesaid calendar month.

8. The Company shall as far as possible, but without being under any obligation to do so, notify the buyers of the number and particulars of the bales ready for delivery at the end of each calendar month, and shall also furnish to the buyers if requested by the buyers in writing so to do the number and particulars of the bales ready for delivery from time to time during the month. Any such notification or furnishing of particulars by the Company as aforesaid shall not imply or be deemed to imply an obligation or undertaking on the part of the Company to give any further notification, or to furnish any further particulars, except upon the written request of the buyers, it being the duty of the buyers to ascertain the number and particulars of the bales ready for delivery from time to time and to pay for and take delivery thereof.

9. In the event of the buyers requesting the Company to despatch the goods either by rail, road or sea and the Company acceding to such request the goods shall be at the risk in all respects of the buyers from the time they leave the mill premises or the godowns of the Company as the case may be, including the risk of delay in delivery due to the non-booking of the goods by the Railway or Shipping Company for which the Company takes no responsibility.

10. Where the goods are to be delivered in lots or by instalments this contract shall be deemed and construed as a separate contract in respect of each lot or instalment, and the rights and liabilities of the Company and the buyers respectively shall be the same as though a separate contract had been made in respect of each lot or instalment.

11. All goods of which delivery shall not be taken by the buyers in accordance with the terms of this contract shall, as from the date on which delivery thereof ought to have been taken, be deemed to have been appropriated to this contract and the buyers shall be deemed to have assented to such appropriation without any further consent on their part than is evidenced by their being parties to and signing this contract. From the date of such appropriation the said goods shall be held by the Company for the account of the buyers and at their sole risk as regards loss, damage, deterioration or otherwise and the price of the goods *plus* all charges shall carry interest in favour of the Company from due date at the rate of 9 per cent. per annum and the Company shall be entitled at its sole discretion and after giving not less than seven days' written notice to the buyers, which shall be deemed to have been duly given if delivered at or sent by registered post to the last known place of business or residence of the buyers, to sell the said goods on account and at the risk of the buyers either by public auction and/or private sale and either together or in lots and at such time or times and on such terms and conditions as the Company may think fit. If the net sale proceeds of the goods shall be less than the amount due to the Company for the price of the goods *plus* interest and all charges, the buyers shall pay the difference to the Company on demand.

12. The Company shall have a general lien on all goods of the buyers for the time being in the possession of the Company (including goods already paid for but of which delivery may not have been taken by the buyers) for the total amount due to the Company for the time being under this contract and also for any amount due to the Company under any other contract with the buyers either alone or jointly with another or others.

13. In respect of all goods of which delivery shall not be taken by the buyers within 14 days after the due date the buyers agree to pay to the Company on demand annas eight per bale per month or any part of a month for godown rent and annas four per bale per month or any part of a month for insurance calculated from the expiry of such period of 14 days to the date on which actual delivery shall be taken by the buyers.

14. If any goods while in the possession of the Company shall be destroyed and/or damaged from any cause whatsoever after the due date for delivery thereof to the buyers, any sum recovered from the insurance of such goods against such destruction and/or damage may be applied by the Company in satisfaction in whole or in part as the case may be of the price of the said goods *plus* interest and all charges and if the sum so recovered shall be less than the price of the said goods *plus* interest at 9 per cent. and all charges the buyers shall pay the difference to the Company on demand, and on the other hand if the sum so recovered shall be greater than the price of the said goods *plus* interest at 9 per cent. and all charges the Company shall pay the excess to the buyers on demand.

15. If the Company shall be unable to deliver the whole or any part of any goods sold for future delivery by the time specified for delivery thereof by reason of the mills working short time or its being expedient to stop the mills temporarily or by reason of fire, war, stoppage or hindrance in the supply of raw materials or fuel, explosion, accident, strike, riot, lock-out or other disorganization of labour or transport, breakdown of machinery, or any inevitable or unforeseen event beyond human control directly or indirectly interfering with the working or the full working of the mills, the buyers shall take delivery of such bales as the Company may be in a position to deliver (if any) and the time for completing the contract

shall, as regards the bales not ready by the specified time, be extended for such time as the Company may reasonably require to make up for the delay caused by stoppage, hindrance to or interference with the working of the mills or any other events or circumstances before mentioned PROVIDED ALWAYS that should the inability to deliver in the case of non-seasonal goods be continuous during the period of three consecutive English calendar months, and in the case of seasonal goods during the period of one English calendar month, then the buyers shall be entitled by notice in writing of their intention to do so, to cancel the contract in respect of any bales then remaining to be manufactured.

16. If for any reasons other than those mentioned in the last preceding clause any portion of the contract goods is not ready by the specified time it shall be lawful for the buyers at their option either to cancel the contract in so far as it relates to the balance of the goods not then ready for delivery, or to extend the time of delivery for such period as the Company may reasonably require, not exceeding one month, PROVIDED ALWAYS that if the buyers shall elect to cancel the contract it shall be incumbent upon them to give to the Company within 7 days after the due date for delivery of the goods not then ready notice in writing of their intention to cancel, and in default of such notice within the time aforesaid the buyers shall be precluded from cancelling the contract and the time for delivery shall be deemed to have been extended for such period as the Company may reasonably require, not exceeding one month, to make ready for delivery the balance of the goods then undelivered.

17. In any of the cases provided for in the last two preceding clauses the buyers shall not be entitled to make any claim for damages, allowance, compensation or otherwise in respect of such non-delivery or late delivery and shall pay for the goods delivered at contract rates, and in the event of the time for delivery being or being deemed to have been extended all the provisions of this contract shall apply equally to the extended time as the time originally specified including therein the remedies reserved to the Company for failure on the part of the buyers to pay for and take delivery of the goods when ready within the extended period and including the liability of the buyers for interest.

18. The buyers shall not be entitled to make any claim for an allowance or otherwise in regard to the condition of the goods when once the goods have left the mill premises or the godown, as the case may be of the Company, unless the buyers prove that the damage was done at the mills, and the claim is lodged within 14 days of the delivery of the goods.

19. The buyers shall not be entitled to make any claim for an allowance or otherwise on the ground that the goods delivered are not in accordance with the contract unless notice in writing of their intention to make such claim shall have been given to the Company within one calendar month after the date of actual delivery of the goods to the buyers or to a carrier or other agent on behalf of the buyers. In default of any such notice the goods delivered shall be deemed to be in all respects in accordance with the contract.

20. In the event of any goods the subject of this contract or any portion thereof being destroyed or so damaged by fire, water or other cause beyond the control of the Company as to render them unmerchantable while stored at the mills or godowns of the Company pending due date of delivery, the contract in respect of such goods shall be deemed to have been cancelled by mutual consent and the buyers shall have no claim whatsoever against the Company in respect of such goods, but if the price of such goods shall have been then paid the buyers shall be entitled to a refund thereof.

21. All disputes and questions whatsoever which shall arise between the parties hereto out of or in connection with this agreement or as to the construction or application thereof or the respective rights and obligations of the parties hereunder or as to any clause or thing herein contained or any account or valuation to be made hereunder or as to any other matter in any way relating to these presents shall be referred to arbitration in accordance with the rules of the Millowners' Association, Bombay, for the time being in force regulating arbitrations with respect to piecegoods.

22. Notwithstanding any such reference to arbitration as aforesaid the buyers shall take delivery of the goods the subject of the reference and pay for the same as herein agreed and unless the arbitration award is to the effect that the goods under dispute are "no tender" the buyers shall be bound to accept the said goods on payment by the Company of the allowance (if any) awarded to the buyers. If, however, the arbitration award is to the effect that the goods are "no tender" the buyers shall be entitled to invoice back the said goods with any penalty the arbitrators may award.

23. Nothing appearing in the contract in any vernacular language, save only the name or signature of the buyer or his agent, shall be binding upon the Company.

RULES FOR THE ELECTION OF REPRESENTATIVES OF THE ASSOCIATION ON THE BOARD OF THE VICTORIA JUBILEE TECHNICAL INSTITUTE.

The Association is entitled to elect two members on the Board of the Victoria Jubilee Technical Institute so long as it continues to contribute not less than Rs. 2,000 per annum for the maintenance of the Institute.

1. Any member of the Association shall be eligible to act as Representative of the Association on the Board of the Victoria Jubilee Technical Institute.

2. The period of office of any elected Representative of the Association on the Board of the said Institute shall be one of three years. At the end of such period he shall retire but may be re-elected.

3. The appointment of the Association's Representatives shall be made at a general meeting of the Association and such Representatives shall *ex officio* be members of the Committee of the Association.

4. In the event of the disqualification of any of the Association's Representatives under Section 9 or 10 of the Rules and Regulations of the said Institute, or in the event of the decease or resignation of such Representative, or in the event of his ceasing for any reason to be a member of the Association, the Committee shall appoint a successor, who shall hold office up to that date at which the Representative whom he succeeds would, under Rule 2, have retired.

5. In the event of the absence of any of the Association's Representatives from three or more consecutive meetings of the Board, or in the event of any of the Association's Representatives applying for leave of absence, the Committee may, if they think fit and with the consent of the Board of the said Institute, appoint a substitute who shall hold office until the Representative whom he replaces resumes attendance or up to that date at which the Representative whom he replaces would, under Rule 2, have retired.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE IMPROVEMENTS COMMITTEE CONSTITUTED UNDER THE PROVISIONS OF THE CITY OF BOMBAY IMPROVEMENT TRUST TRANSFER ACT, 1926.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary ten clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants four clear days before the election.

3. The Committee shall appoint two days, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10 A.M. till 6 P.M. on each day.

4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two scrutineers, who, at 6 P.M. on the second day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.

10. In the event of the temporary absence of a Representative of the Association on the Improvements Committee, necessitating the appointment of a substitute under Section 13 (2), such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOARD OF TRUSTEES OF THE PORT OF BOMBAY.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot-box shall be open from 10-30 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through any one duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy the above course shall be followed in the appointment of a substitute.

10. In the event of the temporary absence of a Representative of the Association on the Board of Trustees, necessitating the appointment of a substitute, such appointment shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

PROCEDURE IN CONNECTION WITH THE ELECTION OF THE REPRESENTATIVES OF THE ASSOCIATION ON THE LEGISLATIVE ASSEMBLY AND THE BOMBAY LEGISLATIVE COUNCIL.

Explanatory Note.

Prior to November 1920, the date of the first elections to the new Councils constituted under the Reforms Scheme, the Association's Representative on the Bombay Legislative Council had been elected in accordance with the provisions of the Association's Rules for the election of such members. Under the rules framed under the Government of India Act, 1919, however, the Association becomes a Commerce and Industry Constituency and is entitled to elect one member to the Legislative Assembly and one member to the Bombay Legislative Council. Election to these bodies will henceforth be held in accordance with special Rules and Regulations drawn up by the Government of India and the Local Government in that respect. The Rules and Regulations in question have been published in the *Gazettes*, but the following summary of their provisions, so far as they relate to elections in this Constituency, has been prepared for the convenience of members.

Notes as to the procedure to be followed in connection with the election of Members of the Association for the Bombay Millowners' Association Constituency of the Indian Legislative Assembly and the Legislative Council of the Governor of Bombay.

N.B.—It must be distinctly understood that the following Notes are drawn up merely for the convenience of members and are in no way to be considered as overriding the Rules and Regulations framed under Section 7 of the Government of India Act, 1919.

Rules. Part II and Part III. 1. Members only of the Bombay Millowners' Association as defined in Rule 5 of the Association's Rules and Regulations will be eligible to vote at elections for, and be eligible for nomination as candidates for election to the above Councils.

The term member includes any person entitled to exercise the rights and privileges of membership on behalf of any person, firm, company, or other corporation registered as such member, provided such person is not disqualified under the provisions of Part II of the Electoral Rules, and has been duly nominated, in accordance with Clause 3 of these Notes by the said member.

Regulations. Part I. 2. The Secretary for the time being of the Association will be the Returning Officer for the Constituency.

Regulations. Part II. 3. The Secretary will immediately before each election call upon each member to nominate a person, who is duly qualified under Rules 7, 8 or 9 of the Association's Rules and Regulations and who is not otherwise disqualified, for registration on an electoral roll and except as is hereinafter provided, only such person as is so nominated and registered will be eligible to vote on behalf of such member at the ensuing election, and be eligible for nomination as a candidate for election at the ensuing election.

Regulations. Part II, Clause 1 (3) and Clauses 4 and 5. 4. The Secretary will on or before a date to be fixed by the Local Government publish the Electoral Roll provided for in Clause 3 of these Notes at the Headquarters of the Association, and at the time of publishing the roll will in like manner publish a notice in the form prescribed in Schedule I attached to these Notes.

Regulations. Part II, Clause 6. 5. On receipt of the orders made by the Revising Authority in regard to any claims or objections that may be raised, the Secretary will make such cancellations in, and will prepare a list of such additions to, the Electoral Roll as may be required in accordance with such orders and will re-publish such amended Electoral Roll and list of additions at the Headquarters of the Association on or before a date to be fixed by the Local Government.

6. The Electoral Roll will come into force from the date of re-publication provided for in Clause 5. Rules. Part III, Clause 9 (4).

7. The Electoral Roll as amended and supplemented by the list of additions will be conclusive evidence for the purpose of determining whether any person is an elector in this Constituency. Regulations. Part II, Clause 7.

8. A fresh Electoral Roll will be prepared for each election in the prescribed manner. Regulations. Part VIII, Clause (*j*).

9. Any person whose name appears on the Electoral Roll of the Association may be nominated as a candidate for election in the manner hereinafter provided. Rules. Part IV, Clause 11.

10. Nominations will be by means of a nomination paper in Form I appended to the Electoral Regulations and which will be supplied by the Secretary to any member asking for the same. Regulations. Part III, Clause 1 (1).

11. Every nomination paper will be subscribed by two members as proposer and seconder and will be signed by the candidate as assenting to the nomination. Regulations. Part III, Clause 1 (2).

12. Where a member subscribes a larger number of nomination papers, those first received up to the number allowed will be deemed to be valid and the remainder invalid. Where in any such case the Secretary is not able to determine which nomination papers were received first, all such papers will be deemed to be invalid. Regulations. Part III, Clause 1 (3).

13. Each candidate will be nominated by a separate nomination paper. Regulations. Part III, Clause 1 (4).

14. Save as provided in Clause 15, every nomination paper will be presented to the Secretary at the Headquarters of the Association by the proposer or seconder on or before a date and at a time, if any, appointed by the Local Government in this behalf. Regulations. Part III, Clause 2 (1).

15. A candidate may be nominated by a nomination sent by post so as to reach the Secretary before the time appointed as aforesaid in Clause 14. The proposer and seconder will append to such nomination paper a certificate from a Gazetted Revenue or Judicial Officer that they have signed the paper in his presence and that they are members of the Association. Regulations. Part III, Clause 2 (2).

16. A candidate who has been duly nominated for election may withdraw his candidature by a written and signed communication delivered to the Secretary not less than fourteen clear days before the date fixed for the recording of votes; or if the period between the dates fixed for the scrutiny of nomination papers and the recording of votes is less than fourteen clear days, not later than the date fixed for such scrutiny. The Secretary will forthwith publish any such withdrawal in such newspapers as he may select and, where the name of the candidate has been inserted in any voting paper, will cause the same to be cancelled. Regulations. Part III, Clause 3 (1), and (2).

17. A candidate who has withdrawn his candidature will not be allowed to cancel the withdrawal or to be re-nominated as a candidate for the same election. Rules. Part IV, Clause II (3).

18. In the event of the death of a candidate between the date fixed for the presentation of nomination papers and the date fixed for recording votes, all proceedings with reference to such election will be commenced afresh with the exception of proceedings in connection with the drawing up of the Electoral Roll as provided for in Clauses 3 to 6. Fresh dates for the stage of such election will be prescribed by the Local Government. Regulations. Part III, Clause 2 (3).

19. On the date and at the time appointed by the Local Government for the scrutiny of nomination papers, every candidate or his election agent, and his proposer and seconder may attend at the Headquarters of the Association and the Secretary will allow them to examine all nomination papers which have been received by him. Regulations. Part III, Clause 4 (1).

Regulations. Part III, Clause 4 (2). 20. The Secretary will examine the nomination papers and will decide all objections which may be made to any nomination paper on the ground that it does not comply with the provisions of Clauses 9, 10, 11, 12 and 13, and may reject, either of his own motion, or on such objection, any nomination paper on such ground or on the ground that it was not received at or before the time appointed for the nomination of candidates; or that the candidate has not complied with the provisions of Clause 22; the decision of the Secretary, with the reasons therefor, will be endorsed by him on the nomination paper in respect of which such decision is given.

Regulations. Part III, Clause 5 (1). 21. The Secretary will forthwith publish in such newspapers as he may select the names of the candidates who have been validly nominated, and the order in which the names of the candidates will appear in the voting paper.

Rules. Part IV, Clauses 11 and 15. 22. On or before the date on which a candidate is nominated the candidate will make in writing and sign a declaration appointing either himself or some other person who is not disqualified under the Electoral Rules to be his election agent and no candidate will be deemed to be duly nominated unless such declaration has been made.

Rules. Part IV, Clause 16 (1). 23. The appointment of an election agent, whether the election agent appointed be the candidate himself or not, may only be revoked by a writing signed by the candidate and lodged with the Secretary and will operate from the date on which it is so lodged.

Rules. Part IV, Clause 16 (2). 24. In the event of such a revocation or of the death of any election agent, whether such event occurs before, during or after the election, then the candidate will appoint forthwith another election agent and declare his name in writing to the Secretary.

Rules. Part IV, Clause 17 (1). 25. Within one month or such longer period as the Governor may allow after the date of the declaration of the election, every candidate, either personally or through his election agent, will cause to be lodged with the Secretary a return of his election expenses containing the particulars specified in Schedule III appended to the Electoral Rules.

Rules. Part IV, Clause 17 (2). 26. Every such return will contain a statement of all payments made by the candidate or by his election agent or by any person on behalf of the candidate or in his interests for expenses incurred on account of, or in respect of, the conduct and management of the election and further a statement of all unpaid claims in respect of such expenses of which he or his election agent is aware.

Rules. Part IV, Clause 17 (3). 27. The return will be accompanied by declarations by the candidate and his election agent which will be in the form contained in Schedule III appended to the Electoral Rules and will be made on oath or affirmation before a Magistrate.

Rules. Part IV, Clause 17 (4). 28. The Local Government will cause to be prepared in such manner, and maintained, for such time, as it may direct, a record showing the names of all candidates at every election under these rules and the date on which the return of election expenses of each candidate has been lodged with the Secretary.

Rules. Part IV, Clause 12 (1). 29. If the number of candidates who are duly nominated and who have not withdrawn their candidature before such time as the Local Government may fix in this behalf exceeds that of the vacancies, a poll will be taken.

Rules. Part IV, Clause 12 (2). 30. If the number of such candidates is equal to the number of vacancies, all such candidates will be declared to be duly elected.

Rules. Part IV, Clause 12 (3). 31. If the number of such candidates is less than the number of vacancies, all such candidates will be declared to be elected and the Governor will, by a notification in the *Bombay Government Gazette*, call for fresh nominations for the remaining vacancy or vacancies and if any such are received, will call upon the Association to elect a member or members, as the case may be.

32. Votes will be given by ballot and no votes shall be received by proxy. The voting paper will be in Form II-A appended to the Electoral Regulations, and the procedure laid down in Parts V and VI of the Electoral Regulations for the recording of votes will be followed. Rules. Part IV, Clause 12 (4), and Regulations, Parts V & VI.

33. Each member shall be entitled to one vote only. Regulations. Part V, Clause 1 (*c*) and (*d*).

34. Votes will be counted by or under the supervision of the Secretary, and any candidate or candidates, or in the absence of a candidate, a representative duly authorized by him in writing will have the right to be present at the time of counting. Regulations. Part VI, Clause 1 (1).

35. When the counting has been completed, the Secretary will forthwith declare the candidate to whom the largest number of votes has been given, to be elected. Rules. Part IV, Clause 12 (7).

36. Where any equality of votes is found to exist between any candidates and the addition of one vote will entitle any of the candidates to be declared elected, the determination of the person to whom such one additional vote will be deemed to have been given will be made by lot to be drawn in the presence of the Secretary of the Association and in such manner as he may determine. Rules. Part IV, Clause 12 (8).

37. The Secretary will without delay report the result of the election to the Secretary to the Council, who will publish the name of the candidate elected in the *Bombay Government Gazette*. Rules. Part IV, Clause 12 (9).

SCHEDULE

Regulations. Part II, Clauses 4 & 5.

Notice under Regulation 4, Part II of the Legislative Assembly Electoral Regulations and of the Bombay Legislative Council Electoral Regulations.

1. The Electoral Roll of the Bombay Millowners' Association Constituency is hereby published in accordance with Regulation 3, Part II.

2. Any person entered on the roll who objects to any entry in the roll or any person claiming to be entered in the roll should lodge his claim or objection in the following manner :—

(*a*) Such claim or objection shall be made in writing and shall specify the Constituency in question, the grounds on which the right of any person to be entered in the roll is asserted or denied, the evidence which the claimant or objector intends to lead, the address of the claimant or objector, his number, if any, in the Electoral Roll and the area in the roll for which he is entered and in the case of an objection, the number in the Electoral Roll of the person to whose entry objection is taken and the area in the roll for which he is entered.

(*b*) Four copies of the claim or objection shall be delivered or sent by post so as to reach the office of the Judge authorized to receive the claim or objection under the Regulations on or before the third day from the publication of the roll, excluding the day of such publication.

(*c*) A claim or objection which is not lodged in the manner herein prescribed or by a person not entitled to lodge the same, shall be rejected.

3. Claims and objections relating to this roll should be sent to the Chief Judge of the Court of Small Causes, Bombay.

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE BOMBAY MILLOWNERS' ASSOCIATION TO SERVE ON THE BOMBAY MUNICIPAL CORPORATION.

1. Candidates shall be nominated in writing signed by one proposer and one seconder, who must be both members of the Association, and the nomination papers must be sent in to the Secretary fifteen clear days before the day fixed for the election.

2. The Secretary of the Association shall circulate the names of the applicants ten clear days before the election.

3. The Committee, in consultation with the Municipal Commissioner, shall appoint a day, which shall be duly advertised, upon which the balloting shall take place. The ballot box shall be open from 11 A.M. till 5 P.M. on that day.

4. Votes may be given either in person or through anyone duly authorized by a member of the Association, each subscribing member being entitled to one vote for every complete sum of Rupees fifty paid by him as annual subscription to the Association.

5. The Committee shall appoint two Scrutineers, who, at 5 P.M. on the day of the ballot, shall open the box and declare the result.

6. The candidate who has the largest number of votes shall be declared duly elected.

7. In the event of an equality of votes preventing the due election of any of the candidates, the members of the Association shall vote afresh in the manner above laid down, the voting in such case to be confined to the candidates who have secured an equal number of votes.

8. In the event of only one candidate being duly nominated, the circulation of the name of such candidate and the ballot may be dispensed with, and the Committee may declare such candidate duly elected.

9. In the event of a casual vacancy, an appointment to fill such vacancy shall be made by a majority of the votes of the Committee of the Association at a meeting called for the purpose.

Sections of the City of Bombay Municipal Act, III of 1888, *as amended by Act IX of* 1928, *pertaining to the Election of Councillors by the Bombay Millowners' Association.*

(1) The Corporation shall consist of one hundred and eight Councillors, as follows, Section namely :—

Seventy-six Councillors elected at Ward elections;

Fourteen Councillors appointed by Government;

Four Councillors elected as follows :—

One by the Bombay Chamber of Commerce,
One by the Indian Merchants' Chamber and Bureau,
One by the Bombay Millowners' Association,
One by Fellows;

Four Councillors elected by delegates,

and ten co-opted Councillors elected by transferable vote by the Councillors elected and appointed under the preceding clauses of this section.

Section 6. (1) [*Repealed by Act XVI of* 1895.]

(2) Councillors selected or appointed to succeed retiring Councillors shall come into office on the day for the retirement of the Councillors whom they are to succeed.

Section 7. All members of the Corporation constituted as aforesaid shall retire from office at noon on the first day of April, three years after they take office, which day is in this Act referred to as the day for retirement.

Section 8. Any person who ceases to be a Councillor shall, unless disqualified, be re-eligible.

Section 15. A person shall not be qualified to be elected to be a Councillor at an election by a Chamber or Association mentioned in sub-section (1) of Section 5 or at a Fellows' election, unless he is at the time of the election a member of that Chamber or Association or a person entitled to exercise the rights and privileges of membership on behalf and in the name of any firm, company or corporation registered as a member of such Chamber or Association or a Fellow, as the case may be, and unless, in the case of a Fellow, he resides in the city.

Section 22. (1) General Elections of Councillors shall be fixed by the Commissioner, subject to the provisions of Section 23, to take place triennially on such days in the months of January and February as he shall think fit.

(2) [*Repealed by Act XVI of* 1895.]

(3) Elections to fill casual vacancies shall be fixed by the Commissioner to take place on such days as he shall think fit, as soon as conveniently may be after the occurrence of the vacancies.

Section 23. The dates for all General Elections shall be fixed in the following order, and with the following intervals, namely:—

Firstly.—The Ward elections shall be fixed to take place simultaneously for all the Wards.

Secondly.—The day for the election by the Chamber or Association mentioned in sub-section (1) of Section 5 shall be fixed at an interval not exceeding twenty-one days after the day fixed for the Ward elections.

Thirdly.—The day for the Fellows' election shall be fixed at an interval not exceeding fourteen days after the day fixed for the elections by the Chamber and Association mentioned on sub-section (1) of Section 5.

Fourthly.—The election of co-opted Councillors shall be held on a day fixed by the Commissioner subsequent to the above-mentioned elections and the appointment of Councillors by Government but prior to the day for retirement.

Section 31. (1) Elections of Councillors by the Chamber and Association mentioned in sub-section (1) of Section 5 shall be made by the members for the time being of the said Chamber or Association subject to the provisions of Section 15, in such manner as shall from time to time be determined at a meeting of the said Chamber or Association convened in accordance with the rules at the time in force in this behalf.

(2) The Secretary to the said Chamber or Association shall make a return in duplicate to the Commissioner setting forth the name in full of every person so elected.

Section 32. (1) The result of every election shall be declared by fixing, as soon as may be after the election, in some conspicuous place in the Chief Municipal Office, a notice certifying the names of the persons, if any, elected, and in the case of a contested election the number of votes recorded for each candidate.

(2) The said notice shall be signed in the case of a Ward election, and in the case of an election by Councillors, by the Commissioner, and in the case of an election by a Chamber or Association mentioned in sub-section (1) of Section 5, by the Secretary of such Chamber or Association, and in the case of a Fellows' election by the Registrar of the University of Bombay.

THE MILLOWNERS' ASSOCIATION, BOMBAY.

LIST SHOWING THE VARIOUS STATISTICAL RETURNS PUBLISHED BY THE ASSOCIATION, THEIR RESPECTIVE SUBSCRIPTIONS, ETC.

	MEMBERS.		NON-MEMBERS.		POSTAGE.	
	Yearly.	Charge per copy.	Yearly.	Charge per copy.	Yearly.	Per copy.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Yarn and Piecegoods Trade Statistics of Bombay	1 copy *free*, additional copies @ Rs. 2-8-0 each.		24 0 0	2 8 0	Free	Free
Yarn and Piecegoods Trade Statistics of British India.. ..	Do.		24 0 0	2 8 0	Do.	Do.
Current Quotations of Local - made Piecegoods and Yarns—Issued fortnightly ..	....	....	6 0 0	0 6 0	0 12 0	0 0 6
Rules and Regulations of the Association ..	....	0 8 0	....	1 0 0	....	0-2-0 Inland. 0-4-0 Foreign.
Annual Report of the Association.	1 copy free and for additional copies each Rs. 12-8-0.		....	12 8 0 for current issues 15 0 0 for back numbers	....	1-8-0 Inland. 3-0-0 Foreign.
Mill Statement showing Cotton Spinning and Weaving Mills working and in course of erection in India on 31st August each year issued yearly.	2 paper and 1 cloth copies free and for additional copies each—					
	Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 3 0 0 Cloth .. 4 0 0		Paper .. 0 4 0 Cloth .. 0 8 0	

No. 1.—ABSTRACT STATEMENT of the QUANTITY (in pounds) of YARN Spun.

[NOTE.—The statistics of yarn represent the quantities of all yarn actually spun in the mills whether they are subsequently woven in the mills or not.]

	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
British India						
Bombay	42,662,523	49,807,740	40,953,945	475,944,062	549,038,671	558,594,709
Madras	6,003,652	8,454,328	8,840,920	76,926,345	87,728,479	104,909,198
Bengal	3,290,141	3,398,776	3,634,117	37,762,714	37,620,373	40,821,488
United Provinces	6,038,809	7,469,451	7,969,242	85,049,326	89,731,242	93,126,775
Ajmer-Merwara	525,924	600,443	697,186	6,002,939	6,962,180	7,796,752
Panjab	392,199	438,267	341,728	4,031,790	5,171,435	5,063,015
Delhi	1,647,832	1,879,905	1,978,595	19,580,773	24,471,690	26,791,043
Central Provinces and Berar	3,672,811	3,547,229	4,109,223	45,102,511	44,142,990	45,385,349
Burma	283,828	289,799	286,764	3,264,790	3,258,696	3,280,395
TOTAL	64,517,719	75,885,938	68,811,720	753,665,250	848,125,656	885,768,724
Foreign Territory						
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Kishangarh, Cambay, Kolhapur, Cochin, Rajkot, Ratlam (*a*) and the French Settlement at Pondicherry	9,544,369	10,562,216	10,763,577	113,613,312	118,247,364	130,649,685
GRAND TOTAL	74,062,088	86,448,154	79,575,297	867,278,562	966,373,020	1,016,418,409

(*a*) Figures for Ratlam are being reported from April, 1932.

No. 2.—ABSTRACT STATEMENT of the QUANTITY of WOVEN GOODS Manufactured.

[NOTE.—The weight in pounds represents the weight of all woven goods; the measure in yards relates only to grey and coloured piece-goods and is estimated from the poundage on a conventional basis; the figures in dozens relate to grey and coloured goods other than piece-goods, and to hosiery, the weight of these being estimated mainly on a conventional basis and included in the poundage.]

		MONTH OF MARCH			TWELVE MONTHS, APRIL TO MARCH		
		1931	1932	1933	1930-31	1931-32	1932-33
British India							
Bombay	pounds	34,266,268	40,193,464	34,676,099	392,057,330	459,247,935	462,222,027
	yards	165,154,803	199,331,250	170,596,647	1,829,793,378	2,188,300,219	2,265,897,230
	dozens	42,706	64,365	43,295	531,704	656,462	608,700
Madras	pounds	1,550,667	2,018,856	1,838,087	19,667,761	21,773,591	22,558,331
	yards	4,987,820	6,194,444	5,679,942	61,211,423	68,816,942	70,547,281
	dozens	28,640	25,091	30,530	275,694	254,528	354,003
Bengal	pounds	1,471,516	1,510,192	1,932,259	16,747,953	17,204,092	20,852,057
	yards	6,707,662	7,209,748	9,372,797	71,609,765	79,364,057	97,698,263
	dozens	8,332	20,464	18,509	127,514	173,145	226,835
United Provinces	pounds	2,231,608	3,200,288	3,658,937	33,954,435	36,369,851	41,466,089
	yards	8,802,258	12,824,769	14,270,951	130,001,131	144,201,542	162,851,483
	dozens	14,450	16,580	20,690	224,654	218,332	245,989
Ajmer-Merwara	pounds	395,423	544,947	577,055	4,805,303	5,866,202	6,709,896
	yards	1,419,417	2,115,632	2,172,540	16,760,053	21,274,475	24,380,251
	dozens	...	...	...	795	199	41
Punjab	pounds	102,535	208,786	177,867	1,204,228	2,075,615	2,250,317
	yards	339,564	806,812	637,091	4,096,009	7,575,081	8,431,498
	dozens	1,608	2,524	549	9,583	14,592	16,054
Delhi	pounds	1,438,021	1,660,974	1,470,440	17,785,425	21,657,522	21,118,976
	yards	5,319,110	6,021,813	5,711,186	67,895,287	71,432,292	76,494,047
	dozens	361	3,825	13,850	14,514	14,981	89,517
Central Provinces and Berar	pounds	1,722,166	1,632,971	1,781,267	21,647,910	21,100,828	20,713,421
	yards	6,731,376	6,501,204	6,707,626	81,997,447	81,656,751	78,427,487
	dozens	1,500	1,290	789	24,194	21,123	23,142
Bihar and Orissa (*b*)	pounds	...	...	7,034	...	...	60,911
	yards	...	...	16,623	...	...	141,682
	dozens	...	...	...	...	...	139
TOTAL	pounds	43,178,204	50,970,478	46,119,045	507,870,345	585,295,636	597,951,965
	yards	199,562,010	241,005,672	215,165,403	2,253,364,498	2,662,621,359	2,784,869,822
	dozens	97,597	134,139	128,202	1,208,652	1,353,362	1,564,420
Foreign Territory							
Indian States of Indore, Mysore, Baroda, Nandgaon, Bhavnagar, Hyderabad, Wadhwan, Gwalior (Ujjain), Cambay, Rajkot, Porbandar, Kolhapur, Cochin, Sangli (*c*), Ratlam (*a*) and the French Settlements at Pondicherry.	pounds	6,973,219	7,596,909	8,079,914	82,487,619	86,961,996	96,949,091
	yards	26,706,145	30,271,915	33,106,032	307,768,537	327,269,802	385,028,677
	dozens	5,684	10,537	6,328	70,396	100,641	128,892
GRAND TOTAL	pounds	50,151,423	58,567,387	54,198,959	590,357,964	672,257,632	694,901,056
	yards	226,268,155	271,277,587	248,271,435	2,561,133,035	2,989,891,161	3,169,898,499
	dozens	103,281	144,676	134,530	1,279,048	1,454,003	1,693,312

(*a*) Figures for Ratlam are being reported from April, 1932.
(*b*) Figures for Bihar & Orissa are being reported from April, 1932.
(*c*) Returns from Sangli have not been received since October, 1931.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.

BOMBAY PRESIDENCY

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	217,559	178,648	126,838	1,797,858	2,846,267	2,732,668
2	645,418	723,269	671,377	5,259,935	7,570,316	8,545,246
3	115,552	116,473	71,286	1,142,963	1,464,124	1,454,530
4	614,472	443,613	308,057	6,633,547	6,356,181	4,768,944
5	64,637	13,959	19,807	606,946	482,161	204,858
6	402,506	259,819	403,234	5,012,727	4,407,997	4,668,222
7	1,583,423	1,242,322	853,294	15,666,878	14,899,987	12,872,173
8	336,835	203,444	344,528	6,950,747	5,400,721	5,356,622
9	537,984	668,660	376,999	8,278,887	7,687,832	7,312,169
10	814,263	1,179,487	1,002,243	12,728,485	12,387,052	14,078,133
TOTAL, Nos. 1 to 10	5,332,649	5,029,694	4,177,663	64,078,373	63,502,638	61,983,565
11	911,695	607,310	977,567	11,490,626	11,565,688	11,911,871
12	997,509	595,066	348,127	13,372,008	9,295,147	9,236,801
13	1,317,848	1,569,963	834,760	13,962,433	13,046,356	13,074,503
14	1,017,444	1,143,383	1,267,307	13,418,863	15,896,498	17,437,179
15	947,149	918,981	663,477	11,312,116	11,322,686	9,544,015
16	832,867	1,255,681	1,029,579	10,280,392	14,333,207	14,090,282
17	836,099	1,037,920	374,867	6,604,957	9,773,678	11,601,342
18	818,205	978,124	1,192,544	9,142,031	13,166,082	14,207,289
19	211,226	153,526	159,097	3,138,514	2,494,799	2,377,530
20	7,964,567	10,890,437	9,753,912	90,062,364	113,143,594	120,297,586
TOTAL, Nos. 11 to 20	15,854,609	19,150,391	16,601,237	182,784,310	214,037,735	223,778,398
21	3,736,037	3,936,839	2,151,258	35,025,789	42,774,686	32,489,800
22	2,553,349	3,329,407	2,557,572	31,678,163	33,773,090	36,294,789
23	155,314	321,965	191,807	1,517,908	2,580,282	2,704,376
24	2,424,382	2,469,434	1,984,835	26,932,099	31,132,309	28,503,945
25	167,710	258,824	106,694	1,618,967	2,535,155	1,707,639
26	653,154	674,686	572,695	7,575,895	6,747,916	7,143,401
27	216,753	304,046	260,317	2,184,439	2,007,028	2,345,229
28	992,923	1,017,045	827,140	9,224,497	10,540,326	10,092,018
29	135,737	207,727	295,549	2,611,775	2,568,883	3,111,723
30	4,078,418	4,992,327	4,757,338	42,481,073	53,327,363	58,489,324
TOTAL, Nos. 21 to 30	15,113,757	17,512,300	13,705,205	160,850,603	187,987,128	182,887,244
31	105,417	122,803	90,552	1,331,181	1,722,941	2,424,328
32	773,886	989,695	699,720	8,955,666	10,319,559	11,064,838
33	41,993	43,226	66,437	580,371	462,101	646,191
34	153,409	321,770	229,703	2,387,097	2,827,897	3,126,156
35	108,153	63,425	86,128	906,705	898,629	1,150,238
36	358,674	460,038	167,362	3,179,806	5,370,187	5,627,022
37	5,779	892	17,927	146,876	72,225	121,317
38	117,857	101,808	147,956	1,062,072	999,842	1,292,961
39	7,830	18,640	32,203	83,198	354,767	407,896
40	2,311,610	3,577,551	2,504,165	25,360,775	30,138,791	32,347,939
TOTAL, Nos. 31 to 40	3,984,608	5,699,848	4,042,153	43,993,747	53,166,939	58,208,756
Above 40	2,330,451	2,386,530	2,408,633	23,707,463	29,578,382	31,163,398
Wastes, etc.	46,449	28,977	19,054	529,566	765,849	573,348
GRAND TOTAL	42,662,523	49,807,740	40,953,945	475,944,062	549,038,671	558,594,709

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

BOMBAY ISLAND

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	164,856	120,504	90,658	1,114,204	2,196,067	2,133,599
2	512,159	539,849	513,112	3,916,338	5,563,967	6,610,029
3	115,552	116,473	69,631	1,125,704	1,415,843	1,443,559
4	485,524	379,770	215,286	4,884,035	5,276,351	3,029,201
5	64,637	13,959	19,807	590,026	477,390	202,301
6	354,451	228,542	302,157	4,427,773	3,861,519	4,037,823
7	1,423,213	1,195,830	805,273	14,338,154	13,273,420	10,912,760
8	329,184	197,893	323,200	6,750,724	5,283,176	5,213,422
9	420,885	572,821	292,424	6,733,400	6,066,425	5,873,141
10	623,506	874,372	738,131	9,758,128	9,144,024	10,244,705
Total, Nos. 1 to 10	4,493,967	4,240,013	3,369,679	53,638,486	52,498,182	49,700,540
11	728,722	361,301	587,103	7,085,767	6,806,133	7,190,643
12	811,320	501,787	287,893	11,007,132	7,778,210	7,556,415
13	976,967	1,199,886	524,206	8,633,936	9,043,267	9,458,220
14	793,896	928,489	923,273	10,223,376	12,050,363	13,631,750
15	823,201	816,844	540,124	8,697,731	9,112,701	7,590,312
16	529,673	911,511	679,089	6,713,876	10,227,655	10,034,448
17	712,344	914,964	182,603	5,156,866	8,641,544	9,935,647
18	627,933	797,877	1,004,999	6,658,463	10,760,747	11,864,913
19	13,310	15,230	14,558	426,662	323,808	217,846
20	3,177,993	4,313,950	2,827,800	36,208,674	46,377,202	43,613,893
Total, Nos. 11 to 20	9,195,359	10,761,839	7,571,648	100,812,483	121,121,630	121,094,087
21	2,302,857	2,847,283	1,043,889	18,131,796	27,248,957	19,226,576
22	1,793,221	2,218,934	1,766,468	20,454,078	22,752,505	24,435,586
23	41,138	104,174	13,059	397,672	898,807	836,329
24	1,801,271	1,938,434	1,694,296	20,915,547	24,657,005	24,144,107
25	116,906	245,277	89,213	974,290	2,220,573	1,411,337
26	350,446	282,438	262,311	3,314,993	3,172,291	3,101,093
27	90,701	105,045	131,078	1,047,049	965,212	1,104,725
28	498,533	533,531	502,599	4,368,821	5,003,226	5,587,950
29	18,591	8,523	2,673	297,233	185,416	79,978
30	1,342,046	1,565,657	1,215,649	12,863,490	17,668,660	17,131,012
Total, Nos. 21 to 30	8,255,710	9,849,296	6,720,235	82,764,969	104,772,651	97,059,083
31	38,424	34,047	31,810	369,330	545,570	990,988
32	568,769	689,606	335,139	5,809,217	7,250,123	6,953,477
33	...	...	14,763	232,704	10,920	160,199
34	107,290	227,562	186,719	1,370,258	1,952,269	2,424,350
35	39,735	953	3,558	198,095	213,459	308,377
36	273,054	333,243	106,218	2,022,764	4,181,860	4,706,887
37	...	...	17,927	...	...	17,927
38	23,249	27,520	70,450	354,051	349,865	489,900
39	7,830	5,904	7,145	78,466	106,244	82,642
40	1,140,348	1,877,816	1,012,782	12,236,284	14,867,704	15,455,803
Total, Nos. 31 to 40	2,198,699	3,196,651	1,786,511	22,671,169	29,478,014	31,590,550
Above 40	910,343	869,486	758,678	10,493,889	12,954,822	12,904,255
Wastes, etc.	46,118	28,977	19,054	525,637	764,546	573,348
GRAND TOTAL	25,100,196	28,946,262	20,225,805	270,906,633	321,589,845	312,921,863

Note.—The suburb of Coorla, in the Thana district, is treated for statistical purposes as part of the Island of Bombay.

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

AHMEDABAD

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	34,589	38,638	21,072	465,245	450,160	390,012
2	8,280	44,116	45,045	209,123	465,981	298,425
3	...	...	181	1,517	32,147	9,497
4	98,442	62,740	51,310	1,469,881	641,900	936,185
5	...	...	...	8,367	...	...
6	...	872	314	7,917	15,800	11,626
7	24,100	2,880	...	336,291	214,459	...
8	462	...	211	53,447	8,694	5,817
9	...	...	...	13,583	160	2,072
10	6,731	7,641	7,235	209,213	68,089	164,213
TOTAL, Nos. 1 to 10	172,904	156,887	125,368	2,774,584	1,897,390	1,817,847
11	...	...	...	57,352	2,176	8,131
12	38,583	16,312	2,365	838,446	283,830	195,249
13	...	2,819	15,706	1,196,330	77,706	160,060
14	84,529	131,051	121,120	1,534,027	2,006,680	1,955,580
15	21,295	10,571	65,520	1,184,704	494,357	566,091
16	56,402	40,191	97,836	826,435	700,419	844,483
17	19,080	37,595	33,600	350,957	138,431	149,221
18	25,792	66,384	37,421	643,728	571,747	534,239
19	182,327	110,660	133,305	2,252,592	1,964,903	1,975,628
20	3,534,027	4,676,546	5,512,749	39,122,388	49,276,830	56,864,966
TOTAL, Nos. 11 to 20	3,961,985	5,093,029	6,019,622	48,006,959	55,517,079	63,253,648
21	1,060,179	640,264	682,920	12,251,698	10,253,537	8,467,112
22	468,323	654,595	158,816	6,337,968	5,996,805	5,147,428
23	81,805	189,692	158,416	938,091	957,192	1,723,513
24	223,048	213,693	57,600	2,382,711	2,465,189	1,122,577
25	22,238	9,159	8,055	540,090	219,295	191,625
26	196,882	161,475	31,089	1,775,798	993,203	914,973
27	116,854	199,001	129,239	839,649	1,002,197	1,240,484
28	452,775	362,855	290,460	4,157,569	4,454,299	3,250,639
29	114,784	198,160	291,874	2,222,628	2,370,979	3,026,705
30	2,507,416	3,124,350	3,060,912	27,076,161	32,198,715	36,645,163
TOTAL, Nos. 21 to 30	5,244,294	5,753,154	4,869,381	58,522,363	60,911,461	61,730,219
31	33,887	79,866	49,431	525,698	462,898	1,092,616
32	135,876	275,209	351,863	2,244,083	2,528,854	3,837,573
33	37,962	41,265	30,625	323,896	417,242	444,444
34	46,052	90,364	39,476	943,359	816,848	672,387
35	68,418	62,472	82,570	708,610	685,170	841,861
36	44,839	100,317	32,309	677,788	791,222	562,536
37	5,779	575	...	143,683	71,187	103,420
38	91,272	60,494	64,678	666,010	534,715	698,114
39	...	12,736	25,058	4,732	248,523	325,254
40	969,111	1,446,870	1,279,077	10,917,644	13,060,977	14,713,778
TOTAL, Nos. 31 to 40	1,433,196	2,170,162	1,955,087	17,155,503	19,617,636	23,291,983
Above 40	1,178,892	1,360,979	1,420,686	10,647,819	14,420,395	16,070,045
Wastes, etc.	...	...	...	...	...	...
GRAND TOTAL	11,991,271	14,534,211	14,390,144	137,107,228	152,363,961	166,163,742

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

MADRAS

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	50,538	46,647	41,049	479,303	607,546	627,944
3	...	...	...	...	...	...
4	56,386	72,098	64,554	779,830	666,146	748,791
5	...	...	1,132	300	14,607	3,437
6	33,845	52,524	37,350	707,227	541,564	652,744
7	38,637	54,692	84,518	515,313	570,070	682,695
8	21,448	27,605	23,721	346,486	364,319	353,119
9	5,494	51,239	45,653	244,033	268,095	381,851
10	62,708	114,646	93,037	706,343	1,045,375	1,200,004
Total, Nos. 1 to 10	269,056	419,451	391,014	3,778,835	4,077,722	4,650,585
11	144,822	164,813	286,810	1,751,799	1,781,531	2,493,328
12	119,475	122,406	198,656	1,514,343	1,466,677	2,054,644
13	33,567	62,769	64,045	614,832	422,742	763,689
14	44,859	10,275	15,415	641,816	340,014	283,542
15	513,546	543,878	486,053	5,336,576	5,866,450	5,979,688
16	75,902	94,836	92,527	854,727	1,239,636	1,294,385
17	157	50,197	17,616	53,799	69,018	485,062
18	100,802	153,273	128,582	1,662,357	2,607,820	2,290,410
19	141,172	213,566	350,591	2,787,634	3,620,179	4,388,830
20	1,307,001	2,153,506	2,132,718	15,336,392	20,007,868	28,329,600
Total, Nos. 11 to 20	2,481,303	3,569,519	3,773,013	30,554,275	37,421,935	48,363,178
21	409,752	867,600	649,345	6,813,151	6,431,519	7,037,504
22	761,834	717,057	805,906	8,151,409	9,640,283	9,588,956
23	13,295	177,673	196,910	734,844	1,290,241	1,458,918
24	406,640	680,143	678,678	5,827,591	6,277,923	8,353,796
25	65,603	166,103	199,994	1,780,721	1,765,022	1,907,959
26	224,335	189,521	305,660	2,703,973	2,929,780	3,998,380
27	5,808	9,862	18,525	16,820	30,672	146,324
28	274,329	600,110	617,640	4,133,712	5,315,358	6,240,251
29	13,498	...	...	44,720	...	3,019
30	297,437	337,818	330,990	3,354,407	3,597,919	3,626,159
Total, Nos. 21 to 30	2,473,031	3,745,887	3,803,648	33,561,348	37,278,717	42,361,266
31	...	3,533	...	...	3,533	117,570
32	436,416	404,884	318,732	4,731,609	4,745,512	4,601,362
33	...	...	...	...	...	...
34	...	...	...	...	...	...
35	...	...	...	...	...	...
36	55	...	...	4,585	1,295	1,202
37	...	...	...	...	...	...
38	...	...	...	...	...	...
39	...	...	...	...	...	11,582
40	207,445	143,735	355,302	2,267,330	2,134,603	2,360,394
Total, Nos. 31 to 40	643,916	552,152	674,034	7,003,524	6,884,943	7,092,110
Above 40	44,484	30,941	36,080	632,221	461,492	490,087
Wastes, etc.	91,862	136,378	163,131	1,396,142	1,603,670	1,951,972
GRAND TOTAL	6,003,652	8,454,328	8,840,920	76,926,345	87,728,479	104,909,198

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

BENGAL

Count or Number	Month of March			Twelve Months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	8,261	11,732	6,940	100,121	122,911	93,384
3	...	...	...	...	...	226
4	...	...	...	...	...	60,454
5	...	...	...	...	15,134	30,964
6	...	15,983	28,106	25,234	138,507	228,565
7	47,557	8,582	55,946	250,805	579,879	686,514
8	2,922	14,740	5,431	93,541	35,055	66,705
9	71,136	46,837	70,001	1,044,064	668,149	816,648
10	143,933	36,728	178,874	1,214,624	1,085,054	1,394,627
Total, Nos. 1 to 10	273,809	134,602	345,298	2,728,389	2,644,689	3,378,087
11	449,485	380,198	278,697	4,303,074	3,614,847	3,826,269
12	130,692	173,402	142,162	1,416,863	1,518,424	1,223,683
13	182,036	247,109	87,294	1,180,132	1,476,082	1,529,297
14	43,437	21,956	69,375	935,402	501,957	1,038,386
15	249,461	447,032	390,413	2,969,917	3,599,825	3,486,115
16	282,942	320,894	157,938	2,878,701	2,770,089	2,580,653
17	214,561	110,372	325,224	2,744,416	2,753,539	3,419,408
18	529	...	23,592	67,099	116,671	187,255
19	123,554	83,279	292,137	1,216,214	1,136,896	1,772,314
20	47,791	67,635	218,560	1,259,555	1,071,334	2,312,662
Total, Nos. 11 to 20	1,724,488	1,851,877	1,985,392	18,971,373	18,559,664	21,375,942
21	309,461	248,177	122,418	3,962,190	3,826,647	3,440,803
22	233,764	213,967	210,776	2,660,318	2,657,794	2,096,338
23	...	...	...	13,425	...	624
24	32,519	75,689	52,663	392,898	721,946	789,989
25	29,498	...	...	414,811	350,836	4,843
26	54,966	137,568	104,635	572,474	976,536	973,261
27	...	...	...	179,927	...	773
28	24,339	36,337	2,003	72,112	414,985	348,716
29	...	30,387	...	...	30,387	...
30	94,997	67,702	209,503	1,124,647	804,303	1,970,845
Total, Nos. 21 to 30	779,544	809,827	701,998	9,392,802	9,783,434	9,626,192
31	...	...	...	...	7,535	...
32	128,097	132,923	182,135	1,328,498	1,576,412	1,659,386
33	...	6,551	...	...	6,551	20,249
34	52,307	60,957	45,562	407,431	519,448	236,508
35	1,673	253	75	1,847	1,289	1,530
36	...	...	...	208,331	5,306	3,007
37	...	...	31,505	...	...	229,467
38	...	...	3,192	190,487	526	6,694
39	...	...	...	...	...	...
40	99,263	118,416	106,029	1,122,098	1,555,692	1,220,439
Total, Nos. 31 to 40	281,340	319,100	368,498	3,258,692	3,672,759	3,371,180
Above 40	45,746	102,202	56,411	471,756	1,004,859	953,307
Wastes, etc.	185,214	181,168	176,520	2,939,702	1,954,968	2,116,780
Grand Total	3,290,141	3,398,776	3,634,117	37,762,714	37,620,373	40,821,488

No. 3.— DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

UNITED PROVINCES

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	45,567	53,379	43,561	789,613	631,079	800,563
3	...	11,084	996	76,187	108,096	86,712
4	65,509	75,303	75,461	664,825	867,816	858,479
5	141,010	190,913	167,670	2,087,013	2,309,815	2,227,954
6	147,387	119,826	100,227	2,396,883	1,982,282	1,629,412
7	138,248	329,067	379,531	3,780,090	4,065,514	3,822,811
8	231,131	252,366	195,510	2,235,576	2,037,316	2,518,559
9	25,512	31,463	46,606	601,189	1,443,582	738,992
10	79,195	267,303	273,419	1,745,860	2,775,514	3,369,777
Total, Nos. 1 to 10	873,559	1,320,704	1,282,981	14,377,236	16,221,014	16,053,269
11	1,116,982	895,992	1,434,942	14,675,557	14,321,037	14,746,024
12	203,148	232,567	200,363	3,258,065	3,634,188	2,910,143
13	271,629	281,005	230,746	4,248,071	4,054,493	3,535,061
14	490,869	490,057	297,551	7,414,107	7,334,891	7,404,602
15	134,768	148,591	79,084	1,418,519	1,199,266	954,551
16	449,813	654,185	385,478	8,330,349	7,112,452	6,388,679
17	605,742	738,396	713,671	5,873,105	6,581,950	6,428,310
18	220,775	422,279	600,968	4,343,031	4,123,955	5,707,494
19	180,183	78,428	290,875	2,373,958	2,916,574	2,835,824
20	113,097	265,241	308,429	1,603,274	2,579,560	3,772,846
Total, Nos. 11 to 20	3,787,006	4,206,741	4,542,107	53,538,036	53,858,366	54,683,534
21	12,406	75,406	105,547	413,176	615,991	496,170
22	332,554	377,686	482,207	3,727,889	3,900,661	4,159,610
23	325,178	436,583	389,683	3,407,472	3,955,563	4,298,043
24	235,578	315,728	362,554	2,705,457	3,705,357	4,429,961
25	...	...	8,972	...	10,295	58,787
26	42,276	166,646	284,825	974,896	909,700	2,005,754
27	154,349	207,540	236,183	1,765,751	2,226,669	2,511,968
28	...	533	...	956	4,433	144,607
29	...	...	2,944	270,449	117,295	2,944
30	76,402	95,950	66,921	644,388	1,042,380	992,578
Total, Nos. 21 to 30	1,178,743	1,676,072	1,939,836	13,910,434	16,488,344	19,100,422
31	...	...	647	...	4,930	647
32	46,734	33,680	45,063	499,834	523,405	492,246
33	...	...	...	...	...	...
34	...	...	...	...	...	4,879
35	...	...	...	...	...	27
36	...	...	2,974	266	2,632	9,429
37	...	...	...	197,858	...	...
38	...	809	144	4,008	4,009	2,533
39	...	...	...	237	...	...
40	67,091	102,703	78,596	1,296,067	1,270,103	1,461,534
Total, Nos. 31 to 40	113,825	137,192	127,424	1,998,270	1,805,079	1,971,295
Above 40	71,715	111,651	53,455	1,042,903	1,199,335	1,045,934
Wastes, etc.	13,961	17,091	23,439	182,447	159,104	272,331
Grand Total	6,038,809	7,469,451	7,969,242	85,049,326	89,731,242	93,126,775

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

AJMER-MERWARA

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	...	...	...	...	...	...
3	...	...	...	...	...	...
4	...	...	...	...	...	...
5	...	...	...	...	...	...
6	...	...	3,338	...	13,900	21,194
7	3,850	15,439	11,604	76,433	80,013	36,680
8	24,003	34,974	26,703	480,119	428,467	374,622
9	91,687	54,639	111,726	825,469	910,189	1,176,602
10	19,980	12,401	14,636	191,522	190,227	135,790
Total, Nos. 1 to 10	139,520	117,453	168,007	1,573,543	1,622,796	1,744,888
11	3,895	3,620	...	63,394	46,223	38,825
12	211,786	310,042	336,115	2,462,763	3,551,945	4,349,722
13	9,621	1,862	800	179,795	117,512	77,463
14	66,939	24,443	65,244	490,516	459,510	415,320
15	...	...	...	...	...	...
16	11,360	...	120	68,115	27,129	24,996
17	...	...	...	13,825	...	...
18	...	...	...	...	...	...
19	...	...	...	27,888	...	...
20	50,190	86,327	80,773	665,100	685,720	690,617
Total, Nos. 11 to 20	353,791	426,294	483,052	3,970,896	4,888,039	5,596,943
21	...	...	...	...	...	...
22	...	...	...	...	...	...
23	...	...	...	...	...	...
24	...	...	...	...	...	...
25	...	...	...	...	...	...
26	...	...	...	...	...	...
27	...	...	...	...	...	...
28	...	...	...	...	...	...
29	...	...	...	...	...	...
30	32,533	56,236	46,127	449,675	444,444	454,921
Total, Nos. 21 to 30	32,533	56,236	46,127	449,675	444,444	454,921
31	...	...	...	...	...	...
32	...	...	...	...	...	...
33	...	...	...	...	...	...
34	...	...	...	...	...	...
35	...	...	...	...	...	...
36	...	...	...	...	...	...
37	...	...	...	...	...	...
38	...	...	...	...	...	...
39	...	...	...	...	...	...
40	80	460	...	8,825	6,901	...
Total, Nos. 31 to 40	80	460	...	8,825	6,901	...
Above 40	...	...	...	...	...	...
Wastes, etc.	...	...	...	...	...	...
Grand Total	525,924	600,443	697,186	6,002,939	6,962,180	7,796,752

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

PUNJAB

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	...	...	...	...	...	...
3	...	...	...	...	8,671	...
4	...	9,088	...	...	38,102	88,303
5	...	...	...	...	...	1,159
6	...	...	...	1,554	...	...
7	9,282	11,082	7,953	116,844	113,729	100,734
8	12,833	86,383	3,458	216,282	483,118	332,593
9	...	...	1,494	43,628	13,808	125,977
10	113,525	11,349	58,820	1,343,740	575,224	347,409
Total, Nos. 1 to 10	135,640	117,902	71,725	1,722,048	1,232,652	996,175
11	115,789	83,205	87,975	938,259	1,460,319	1,262,230
12	247	18,861	1,261	204,080	207,110	265,912
13	74,510	37,309	68,215	454,484	572,263	727,751
14	17,266	32,702	32,126	209,218	192,924	299,167
15	...	10	4,389	24,962	104,775	73,865
16	5,125	25,174	19,767	19,880	146,160	256,879
17	...	...	...	...	12,912	...
18	23,182	44,741	24,465	282,938	462,830	430,931
19	...	...	...	...	...	...
20	251	34,095	9,359	4,129	310,190	288,966
Total, Nos. 11 to 20	236,370	276,097	247,557	2,137,950	3,469,483	3,605,701
21	...	13,082	6,561	...	111,527	153,558
22	...	...	...	...	55,688	3,627
23	...	1,449	...	23,070	45,552	7,386
24	17,594	...	...	137,270	32,084	33,721
25	...	...	...	...	...	...
26	...	26,911	13,864	8,786	177,167	227,929
27	...	...	...	...	...	...
28	...	...	1,555	...	...	2,164
29	...	...	...	...	...	...
30	2,595	2,826	189	2,666	47,282	8,777
Total, Nos. 21 to 30	20,189	44,268	22,169	171,792	469,300	437,162
31	...	...	...	...	...	...
32	...	...	...	...	...	...
33	...	...	...	...	...	...
34	...	...	...	...	...	...
35	...	...	277	...	...	15,682
36	...	...	...	...	...	...
37	...	...	...	...	...	...
38	...	...	...	...	...	...
39	...	...	...	...	...	...
40	...	...	...	...	...	730
Total, Nos. 31 to 40	...	...	277	...	...	16,412
Above 40	...	...	...	...	...	7,565
Wastes, etc.	...	...	...	...	...	...
Grand Total	392,199	438,267	341,728	4,031,790	5,171,435	5,063,015

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

DELHI

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	61,435	71,181	106,212	733,010	861,175	1,015,017
3	...	...	...	...	...	...
4	...	...	...	...	...	...
5	...	...	24,173	...	...	65,139
6	14,190	...	9,005	205,750	99,815	45,669
7	...	...	...	...	1,893	...
8	...	...	3,247	29,801	7,110	29,178
9	...	4,503	...	23,905	5,087	37,233
10	175,756	300,999	36,466	2,850,942	3,937,112	3,960,867
Total, Nos. 1 to 10	251,381	376,683	179,103	3,843,408	4,912,192	5,153,103
11	351,296	436,675	379,049	5,117,777	7,089,799	7,545,021
12	2,909	728	1,080	214,580	188,765	382,816
13	328,818	355,382	392,757	3,691,430	4,325,402	5,188,085
14	89,988	62,527	37,211	1,362,062	1,256,495	837,478
15	3,702	1,609	12,907	12,617	24,067	89,966
16	117,066	48,637	78,149	1,584,971	822,772	499,232
17	...	...	...	41,094	7,870	8,672
18	215,451	197,866	352,269	1,487,872	1,846,891	2,7[illegible]3,582
19	...	...	...	...	1,170	1,355
20	96,210	154,614	225,656	915,928	1,759,229	1,765,314
Total, Nos. 11 to 20	1,205,440	1,258,038	1,479,078	14,428,331	17,322,460	19,101,522
21	...	1,233	...	...	8,881	6,852
22	...	...	8,042	9,117	2,691	12,305
23	...	...	...	465	...	77,079
24	138,144	163,656	171,147	940,772	1,212,255	1,284,629
25	...	...	...	...	51,433	...
26	27,415	...	...	163,620	193,384	55,317
27	...	...	...	...	..	...
28	...	...	11,672	...	7,722	41,796
29	...	...	...	...	...	...
30	18,655	24,665	43,451	110,727	340,890	359,833
Total, Nos. 21 to 30	184,214	189,554	234,312	1,224,701	1,817,256	1,837,811
31	...	...	...	...	...	...
32	...	...	...	...	...	...
33	...	...	...	...	...	...
34	...	...	...	...	...	...
35	...	...	...	...	...	...
36	496	...	...	5,995	1,226	...
37	...	...	...	...	...	...
38	...	2,104	11,958	...	15,408	44,959
39	...	...	...	...	...	...
40	3,439	27,314	53,932	6,861	242,291	363,060
Total, Nos. 31 to 40	3,935	29,418	65,890	12,856	258,925	408,019
Above 40	...	18,843	19,639	...	84,794	197,027
Wastes, etc.	2,862	7,369	573	71,477	75,963	93,561
Grand Total	1,647,832	1,879,905	1,978,595	19,580,773	24,471,590	26,791,043

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued

CENTRAL PROVINCES and BERAR

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	22,319	5,750	86,703	160,543	105,525
2	69,304	51,912	68,051	730,959	718,057	752,087
3	17,806	13,452	12,050	153,247	172,595	163,920
4	...	13,025	425	245,773	28,289	102,126
5	366	...	...	38,746	7,485	262
6	2,087	8,104	1,200	147,323	109,007	91,527
7	334,739	142,069	222,245	3,433,241	3,327,189	2,564,519
8	12,718	19,127	11,157	383,318	317,661	631,181
9	341,870	230,016	376,791	3,368,949	3,536,594	3,342,568
10	88,207	69,795	40,924	934,476	838,712	677,077
Total, Nos. 1 to 10	867,097	569,819	738,593	9,522,734	9,216,132	8,430,792
11	227,271	241,224	323,781	3,302,565	2,852,586	2,887,399
12	247,928	337,717	555,924	5,318,301	3,959,377	5,254,310
13	331,474	322,098	464,212	2,805,449	3,595,827	4,360,829
14	184,900	161,701	172,891	2,182,300	2,143,407	2,290,175
15	98,971	237,409	186,664	1,626,997	1,653,621	1,820,550
16	157,790	151,621	180,576	1,997,374	1,886,077	2,015,915
17	122,374	104,278	163,884	1,416,295	1,340,159	1,783,734
18	131,476	89,435	129,636	1,560,054	1,645,454	1,415,651
19	1,249	888	...	108,101	4,336	15,825
20	452,173	436,222	368,037	5,031,779	5,460,819	4,969,077
Total, Nos. 11 to 20	1,955,606	2,082,593	2,545,605	25,349,215	24,541,663	26,813,465
21	157,509	179,585	158,564	2,077,798	1,961,257	1,915,375
22	104,820	70,407	46,990	1,173,621	954,366	970,161
23	...	...	...	...	1,384	379
24	276,201	249,094	257,533	3,244,995	3,090,585	2,838,211
25	18,813	36,181	...	141,401	304,243	147,969
26	37,934	67,038	59,335	700,541	852,172	755,051
27	535	...	...	10,230	17	...
28	46,307	49,636	43,178	601,306	676,179	621,061
29	...	...	...	2,557	...	243,047
30	22,099	56,644	51,763	382,744	418,518	448,887
Total, Nos. 21 to 30	664,218	708,585	617,363	8,335,193	8,258,721	7,940,141
31	...	...	...	...	...	...
32	34,401	23,714	24,866	458,841	407,864	317,129
33	...	...	...	...	...	...
34	27,335	36,272	14,018	348,416	388,241	301,959
35	...	...	...	...	...	...
36	5,449	7,326	43,515	67,798	62,414	118,749
37	...	...	...	...	...	...
38	5,372	4,467	2,429	27,998	53,550	51,647
39	...	625	...	...	1,720	7,473
40	41,566	23,363	32,816	241,890	269,627	307,920
Total, Nos. 31 to 40	114,123	95,767	117,644	1,144,943	1,183,416	1,104,877
Above 40	32,673	65,846	44,135	360,277	547,639	716,423
Wastes, etc.	39,094	24,619	45,883	390,149	395,419	379,651
Grand Total	3,672,811	3,547,229	4,109,223	45,102,511	44,142,990	45,385,349

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—continued.

BURMA

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	...	...	...	...	...	...
2	...	...	...	...	...	...
3	...	...	...	...	...	...
4	...	...	...	...	...	1,024
5	...	11,349	...	40,386	64,593	115,216
6	...	...	...	...	...	...
7	8,303	...	7,458	58,188	42,025	8,315
8	...	...	...	...	...	...
9	...	...	...	...	...	...
10	...	...	...	...	...	...
Total, Nos. 1 to 10	8,303	11,349	7,458	98,574	106,618	125,455
11	157,925	181,975	200,586	2,481,875	2,087,328	2,118,586
12	...	...	...	...	...	...
13	78,350	77,625	54,832	411,850	647,775	529,274
14	...	...	...	...	...	...
15	22,900	...	23,888	192,025	230,800	297,105
16	...	...	...	...	...	...
17	16,350	18,850	...	80,466	186,175	209,975
18	...	...	...	...	...	...
19	...	...	...	...	...	...
20	...	...	...	...	...	...
Total, Nos. 11 to 20	275,525	278,450	279,306	3,166,216	3,152,078	3,154,940
21	...	...	...	...	...	...
22	...	...	...	...	...	...
23	...	...	...	...	...	...
24	...	...	...	...	...	...
25	...	...	...	...	...	...
26	...	...	...	...	...	...
27	...	...	...	...	...	...
28	...	...	...	...	...	...
29	...	...	...	...	...	...
30	...	...	...	...	...	...
Total, Nos. 21 to 30	...	...	...	...	...	...
31	...	...	...	...	...	...
32	...	...	...	...	...	...
33	...	...	...	...	...	...
34	...	...	...	...	...	...
35	...	...	...	...	...	...
36	...	...	...	...	...	...
37	...	...	...	...	...	...
38	...	...	...	...	...	...
39	...	...	...	...	...	...
40	...	...	...	...	...	...
Total, Nos. 31 to 40	...	...	...	...	...	...
Above 40	...	...	...	...	...	...
Wastes, etc.	...	...	...	...	...	...
Grand Total	283,828	289,799	286,764	3,264,790	3,258,696	3,280,395

No. 3.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—concluded.

TOTAL OF BRITISH INDIA

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	217,559	200,967	132,588	1,884,561	3,006,810	2,838,193
2	880,523	958,120	937,190	8,092,341	10,511,084	11,834,241
3	133,358	141,009	84,332	1,372,397	1,753,486	1,705,388
4	736,367	613,127	448,497	8,323,975	7,956,534	6,619,021
5	206,013	216,221	212,782	2,773,391	2,893,795	2,648,989
6	600,015	456,256	582,460	8,496,698	7,293,672	7,337,333
7	2,164,039	1,803,253	1,622,549	23,897,792	23,680,299	20,774,441
8	641,890	638,639	613,755	10,735,870	9,073,767	9,662,579
9	1,073,683	1,087,357	1,029,270	14,430,124	14,533,336	13,932,040
10	1,497,567	1,982,708	1,698,419	21,715,991	22,834,270	25,163,684
Total, Nos. 1 to 10	8,151,014	8,097,657	7,361,842	101,723,140	103,536,453	102,515,509
11	3,479,160	2,995,012	3,969,407	44,124,926	44,819,358	46,829,553
12	1,913,694	1,790,789	1,783,688	27,761,003	23,821,633	25,678,031
13	2,627,853	2,955,122	2,197,661	27,548,476	28,258,452	29,785,953
14	1,955,702	1,947,044	1,957,120	26,654,284	28,125,696	30,005,849
15	1,970,497	2,297,510	1,846,875	22,893,729	24,001,490	22,245,855
16	1,932,865	2,551,028	1,944,134	26,014,509	28,337,522	27,151,021
17	1,795,283	2,060,013	1,595,262	16,827,957	20,725,301	23,936,503
18	1,510,420	1,885,718	2,452,056	18,545,388	23,969,703	27,022,612
19	657,384	520,687	1,092,700	9,651,809	10,173,954	11,391,678
20	10,031,280	14,088,077	13,097,444	114,878,521	145,018,314	162,426,568
Total, Nos. 11 to 20	27,874,138	33,100,000	31,936,347	334,900,602	377,251,423	406,473,623
21	4,625,165	5,321,922	3,193,693	48,292,104	55,730,508	45,540,062
22	3,986,321	4,708,524	4,111,493	47,400,517	50,984,573	53,125,786
23	493,787	937,670	778,400	5,697,184	7,873,022	8,546,805
24	3,531,038	3,953,744	3,507,410	40,181,082	46,172,549	46,239,252
25	281,624	461,108	315,660	3,955,900	5,016,984	3,827,197
26	1,040,580	1,262,370	1,341,014	12,700,185	12,786,655	15,159,093
27	377,445	521,448	515,025	4,157,167	4,264,386	5,004,294
28	1,337,898	1,703,661	1,503,188	14,032,583	16,959,003	17,490,613
29	149,235	238,114	298,493	2,929,499	2,716,565	3,360,733
30	4,623,136	5,634,168	5,506,282	48,550,327	60,023,099	66,351,324
Total, Nos. 21 to 30	20,446,229	24,742,729	21,070,658	227,896,548	262,527,344	264,645,159
31	105,417	126,336	91,199	1,331,181	1,738,939	2,542,545
32	1,419,534	1,584,896	1,270,516	15,974,448	17,572,752	18,134,961
33	41,993	49,777	66,437	580,371	468,652	666,440
34	233,051	418,999	289,283	3,142,944	3,735,586	3,663,502
35	109,826	63,678	86,480	908,552	899,918	1,167,477
36	364,674	467,364	213,851	3,466,781	5,443,060	5,759,409
37	5,779	892	49,432	344,734	72,225	350,814
38	123,229	109,188	165,679	1,284,565	1,073,335	1,398,634
39	7,830	19,265	32,203	83,435	356,487	426,951
40	2,730,494	3,993,512	3,130,840	30,303,846	35,618,008	38,061,916
Total, Nos. 31 to 40	5,141,827	6,833,937	5,395,920	57,420,857	66,978,962	72,172,649
Above 40	2,525,069	2,716,013	2,618,353	26,214,620	32,876,501	34,573,741
Wastes, etc.	379,442	395,602	428,600	5,509,483	4,954,973	5,387,643
Grand Total	64,517,719	75,885,938	68,811,720	753,665,250	848,125,656	885,768,724

No. 4.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun.

INDIAN STATES (*a*)

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	5,779	7,641	25,856	40,691	154,259	213,191
2	33,078	45,776	38,549	483,408	542,122	516,257
3	31,431	17,491	18,549	316,441	234,387	283,955
4	100,448	84,165	30,574	983,313	1,003,456	666,665
5	34	7,377	101	47,930	178,021	144,316
6	99,851	146,952	78,425	1,371,594	1,427,024	1,135,484
7	269,633	134,417	194,955	1,864,676	2,336,798	2,240,974
8	24,178	134,515	44,320	705,380	924,223	942,889
9	186,398	193,539	207,030	1,998,763	2,935,112	2,501,809
10	268,864	320,186	251,425	4,022,822	3,627,259	4,049,244
Total, Nos. 1 to 10	1,019,694	1,092,059	889,844	11,865,018	13,362,661	12,694,784
11	311,917	126,318	258,941	2,639,929	3,731,719	2,471,073
12	153,121	314,007	716,779	4,336,190	2,874,857	6,495,420
13	415,553	372,873	179,724	4,177,932	4,121,698	2,372,181
14	570,857	880,769	704,393	7,010,916	8,255,017	10,627,611
15	498,918	554,129	603,852	6,072,763	6,419,330	6,334,639
16	663,147	763,027	713,471	8,115,247	8,756,566	9,722,543
17	114,377	99,203	133,528	1,341,642	1,404,584	983,816
18	571,311	592,207	754,371	7,031,753	7,021,335	9,002,129
19	190,550	274,541	147,411	2,334,483	3,153,749	2,572,656
20	1,789,938	2,268,499	2,371,682	22,189,062	22,167,626	27,285,452
Total, Nos. 11 to 20	5,279,689	6,245,663	6,584,152	65,249,917	67,906,511	77,767,550
21	758,698	890,612	568,431	7,771,514	10,139,526	9,182,603
22	366,915	213,162	264,865	3,400,662	2,320,865	3,904,595
23	187,978	61,192	63,895	2,315,485	1,591,546	1,070,209
24	451,781	492,719	482,133	6,016,860	5,139,048	5,866,707
25	99,592	76,250	48,111	1,312,831	968,481	940,076
26	269,456	267,431	280,070	2,719,962	2,933,513	2,885,048
27	49,714	13,882	16,505	644,941	489,117	526,320
28	164,216	80,628	165,019	2,430,632	1,938,705	1,993,674
29	50,098	102,062	3,088	227,293	519,883	563,295
30	420,241	505,446	585,464	4,952,791	5,437,314	6,834,924
Total, Nos. 21 to 30	2,818,689	2,703,384	2,477,581	31,793,021	31,477,998	32,867,451
31	16,181	18,975	10,965	79,055	219,106	209,274
32	66,857	51,872	44,854	643,985	691,894	447,632
33	...	...	...	20,509	...	6,138
34	...	...	...	14,091	...	820
35	41,112	28,935	47,276	403,460	328,825	474,801
36	30,252	10,683	44,240	90,126	176,877	215,937
37	...	...	...	13,283	...	...
38	28,643	25,970	8,497	422,529	294,494	63,883
39	...	...	559	...	30,066	559
40	106,583	243,173	415,632	1,638,819	2,352,851	3,593,820
Total, Nos. 31 to 40	289,628	379,608	566,963	3,325,857	4,094,113	5,012,864
Above 40	113,030	117,207	219,674	1,096,211	1,124,862	2,020,003
Wastes, etc.	23,639	24,295	25,363	283,288	281,219	287,028
Grand Total	9,544,369	10,562,216	10,763,577	113,613,312	118,247,364	130,649,685

(*a*) See note at foot of Table No. 1.

No. 5.—DETAILED STATEMENT of the QUANTITY (in pounds) and the COUNTS (or numbers) of YARN Spun—concluded.

GRAND TOTAL, INDIA (British India and Indian States)

Count or Number	Month of March			Twelve months, April to March		
	1931	1932	1933	1930-31	1931-32	1932-33
1	223,333	208,608	158,444	1,925,252	3,161,069	3,051,384
2	913,601	1,003,896	975,739	8,575,749	11,053,206	12,350,498
3	164,789	158,500	102,881	1,718,838	1,987,873	1,989,343
4	836,815	697,292	479,071	9,307,288	8,959,990	7,285,686
5	206,047	223,598	212,883	2,821,321	3,071,816	2,793,305
6	699,866	603,208	660,885	9,868,292	8,720,096	8,472,817
7	2,433,672	1,937,670	1,817,504	25,762,468	26,017,097	23,015,415
8	666,068	773,164	658,075	11,441,250	9,997,990	10,605,468
9	1,260,081	1,280,896	1,236,360	16,428,887	17,468,448	16,433,849
10	1,766,431	2,302,894	1,949,844	25,738,813	26,461,529	29,212,928
Total, Nos. 1 to 10	9,170,708	9,189,716	8,251,686	113,588,158	116,899,114	115,210,693
11	3,791,077	3,121,330	4,228,348	46,764,855	48,551,077	49,300,626
12	2,066,815	2,104,796	2,500,467	32,097,193	26,696,490	32,173,451
13	3,043,406	3,327,995	2,377,385	31,726,408	32,380,150	32,158,134
14	2,526,559	2,827,813	2,661,513	33,665,200	36,380,743	40,538,460
15	2,469,415	2,851,639	2,450,727	28,966,492	30,420,820	28,580,494
16	2,596,012	3,314,055	2,657,605	34,129,756	37,094,088	36,873,564
17	1,909,660	2,159,306	1,728,790	18,169,599	22,129,885	24,920,319
18	2,081,731	2,477,925	3,206,427	25,577,141	30,991,038	36,024,741
19	847,934	804,228	1,240,111	11,986,292	13,327,703	13,964,364
20	11,821,218	16,356,576	15,469,126	137,067,583	167,185,940	189,712,020
Total, Nos. 11 to 20	33,153,827	39,345,663	38,520,499	400,150,519	445,157,934	484,241,173
21	5,383,863	6,212,534	3,762,124	56,063,618	65,870,034	54,722,665
22	4,353,236	4,921,686	4,376,358	50,801,179	53,305,438	56,130,381
23	681,765	998,862	842,295	8,012,669	9,464,568	9,617,014
24	3,982,819	4,446,463	3,989,543	46,197,942	51,311,597	52,105,959
25	381,216	537,358	363,771	5,268,731	5,985,465	4,767,273
26	1,310,036	1,529,801	1,621,084	15,420,147	15,720,168	18,044,141
27	427,150	535,330	531,530	4,802,108	4,753,503	5,530,614
28	1,502,114	1,784,289	1,668,207	16,463,265	18,897,708	19,484,287
29	199,333	340,176	301,581	3,156,792	3,236,448	3,924,028
30	5,043,377	6,139,614	6,091,746	53,503,118	65,460,413	73,186,248
Total, Nos. 21 to 30	23,264,918	27,446,113	23,548,239	259,689,569	294,005,342	297,512,610
31	121,598	145,311	102,164	1,410,236	1,958,045	2,751,819
32	1,486,391	1,636,768	1,315,370	16,618,433	18,264,646	18,582,593
33	41,993	49,777	66,437	600,880	468,652	672,578
34	233,051	418,999	289,283	3,157,035	3,735,586	3,664,322
35	150,938	92,613	133,756	1,312,012	1,228,743	1,642,278
36	394,926	478,047	258,091	3,556,907	5,619,937	5,975,346
37	5,779	892	49,432	358,017	72,225	350,814
38	151,872	135,158	169,116	1,707,094	1,367,829	1,462,517
39	7,830	19,265	32,762	83,435	386,553	427,510
40	2,837,077	4,236,715	3,546,472	31,942,665	37,970,859	41,655,736
Total, Nos. 31 to 40	5,431,455	7,213,545	5,962,883	60,746,714	71,073,075	77,185,513
Above 40	2,638,099	2,853,220	2,838,027	27,310,831	34,001,363	36,593,749
Wastes, etc.	403,081	419,897	453,963	5,792,771	5,236,192	5,674,671
Grand Total	74,062,088	86,448,154	79,575,297	867,278,562	966,373,020	1,016,418,409

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured

BOMBAY PRESIDENCY

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	592,137	713,435	747,027	11,895,881	11,541,557	11,774,099
	yards	3,023,344	2,173,513	1,990,912	33,674,240	32,135,656	33,145,523
Dhutis	pounds	8,354,233	9,613,753	10,398,820	108,052,854	123,224,573	136,902,454
	yards	42,915,315	52,366,614	56,784,791	576,815,527	672,532,361	759,456,611
Drills and Jeans	pounds	1,596,960	1,367,451	1,588,174	14,778,462	19,619,976	20,344,786
	yards	6,684,205	5,526,240	6,190,451	56,597,098	77,079,857	81,874,554
Cambrics and lawns	pounds	636,765	1,006,973	919,431	3,298,171	5,343,283	8,489,629
	yards	5,049,208	8,110,849	6,508,303	21,863,670	40,645,831	63,955,292
Printers	pounds	257,695	189,365	121,123	1,853,569	2,451,402	1,406,910
	yards	1,303,893	1,112,039	756,246	10,042,598	12,951,491	8,419,882
Shirtings and longcloth	pounds	10,993,248	13,232,809	9,789,958	114,302,342	141,118,671	127,987,246
	yards	50,584,054	60,439,536	44,092,611	524,950,708	640,780,293	584,792,691
T-cloth, domestics and sheetings	pounds	1,781,580	2,433,887	1,257,320	17,547,678	24,429,921	21,976,470
	yards	6,934,689	9,270,872	5,175,074	70,680,896	90,100,707	81,883,461
Tent-cloth	pounds	22,383	4,375	65,615	605,303	303,884	868,226
	yards	47,645	10,081	132,361	1,358,058	662,900	1,812,322
Khadi, Dungri or Khaddar	pounds	915,128	737,230	894,193	24,113,804	11,570,711	7,670,175
	yards	2,751,173	2,319,715	2,670,153	72,502,285	38,711,629	21,969,152
Other sorts	pounds	662,290	888,935	516,993	6,713,923	8,880,235	9,168,309
	yards	3,329,038	4,382,865	2,600,157	31,781,122	42,276,188	44,316,966
Total	pounds	25,812,419	30,188,213	26,298,654	363,161,987	348,484,213	346,588,313
	yards	122,622,564	145,661,824	126,901,059	1,403,266,262	1,642,876,018	1,681,626,454
Coloured piece-goods	pounds	8,067,642	9,719,194	8,061,522	83,896,326	104,933,048	110,131,774
	yards	42,532,239	53,669,426	43,695,588	426,527,116	545,423,306	584,270,776
Grey and coloured goods other than piece-goods	pounds	70,293	161,717	119,002	1,334,613	1,576,252	1,364,817
	dozens	29,498	52,688	40,827	425,455	509,761	512,382
Hosiery	pounds	46,155	42,434	2,957	392,676	359,437	401,083
	dozens	13,208	11,677	2,458	106,249	146,761	96,318
Miscellaneous	pounds	59,230	61,168	112,156	1,423,828	2,381,017	3,242,649
Cotton goods mixed with silk or wool	„	210,529	20,738	81,808	1,847,900	1,513,968	493,391
Grand Total	„	34,266,268	40,193,464	34,676,099	392,057,330	459,247,935	462,222,027
	yards	165,154,803	199,331,250	170,596,647	1,829,793,378	2,188,300,219	2,265,897,230
	dozens	42,706	64,365	43,285	531,704	656,462	608,700

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued

BOMBAY ISLAND

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	273,404	457,892	487,202	6,147,955	6,419,343	6,641,475
	yards	1,946,971	1,239,282	1,191,212	16,815,758	15,799,416	16,575,611
Dhutis	pounds	3,192,850	3,602,885	4,131,957	39,269,472	47,681,909	57,453,899
	yards	16,619,462	21,348,700	23,813,212	229,412,393	287,565,729	343,077,157
Drills and jeans	pounds	1,380,236	1,195,846	1,346,882	12,472,448	16,916,890	17,731,598
	yards	5,722,510	4,833,179	5,226,829	46,752,663	66,416,218	70,350,669
Cambrics and lawns	pounds	212,138	193,608	157,614	966,407	1,971,848	1,981,390
	yards	1,659,349	1,492,498	1,152,716	7,511,763	14,536,295	14,601,172
Printers	pounds	...	55,235	9	2,356	334,908	9
	yards	...	325,412	40	12,848	1,980,094	40
Shirtings and longcloth	pounds	7,166,174	9,563,316	6,494,861	71,470,781	96,865,367	89,061,118
	yards	32,033,910	43,359,326	28,720,937	327,617,084	435,513,139	400,723,717
T-cloth, domestics and sheetings	pounds	1,378,464	1,967,192	1,010,997	12,263,109	19,740,042	18,042,000
	yards	4,760,119	7,030,564	3,961,041	45,522,061	66,534,261	61,155,229
Tent cloth	pounds	15,850	1,547	41,112	536,360	271,502	761,533
	yards	33,839	3,134	82,395	1,202,994	575,489	1,596,090
Khadi, Dungri or Khaddar	pounds	694,602	512,142	641,690	19,016,888	8,080,555	4,623,510
	yards	2,111,170	1,698,048	1,947,842	57,510,261	24,447,928	14,023,194
Other sorts	pounds	300,526	453,295	100,057	3,174,434	4,401,156	4,443,892
	yards	1,422,787	1,962,640	333,528	14,146,871	19,654,498	18,799,927
Total	pounds	14,614,244	18,002,958	14,412,381	165,320,210	202,683,520	200,740,424
	yards	66,310,117	83,292,783	66,429,752	746,504,696	933,053,067	940,902,806
Coloured piece-goods	pounds	4,116,106	4,642,502	3,214,034	44,665,619	56,657,649	54,164,587
	yards	21,167,214	24,827,047	16,503,635	221,081,329	283,833,299	269,694,741
Grey and coloured goods, other than piece-goods	pounds	47,529	126,691	90,125	988,615	1,248,401	1,111,624
	dozens	16,841	28,423	30,994	305,233	350,435	372,185
Hosiery	pounds	5,534	2,632	1,853	51,268	71,502	30,251
	dozens	5,427	1,972	1,630	34,792	83,668	49,556
Miscellaneous	pounds	3,681	53,116	95,384	830,567	1,808,346	2,517,814
Cotton goods mixed with silk or wool	„	209,999	19,873	67,263	1,182,557	1,425,107	369,394
Grand Total	„	18,997,093	22,847,772	17,881,040	213,038,836	263,894,525	255,934,094
	yards	87,477,331	108,119,830	82,933,387	967,586,025	1,216,886,366	1,210,597,547
	dozens	22,268	30,395	32,624	340,025	434,103	391,741

Note.—The suburb of Coorla, in the Thana district, is treated for statistical purposes as part of the Island of Bombay.

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued

AHMEDABAD

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	241,334	183,905	195,156	4,378,895	3,806,390	3,977,227
	yards	870,219	771,658	635,183	13,647,845	13,180,759	13,384,227
Dhutis	pounds	3,894,757	4,797,785	5,091,598	56,508,384	61,329,449	65,667,351
	yards	20,467,821	25,664,112	27,253,506	290,145,589	319,779,276	353,096,463
Drills and jeans	pounds	94,590	113,647	156,611	1,665,405	1,536,073	1,899,583
	yards	447,136	521,584	696,535	6,959,065	6,815,056	8,764,283
Cambrics and lawns	pounds	378,222	710,219	693,067	1,686,099	2,887,120	5,593,786
	yards	3,022,078	5,820,171	4,806,024	12,614,925	22,272,266	41,853,830
Printers	pounds	225,935	69,568	30,738	1,043,957	1,311,714	703,110
	yards	1,131,500	431,857	254,250	5,891,529	6,918,062	4,211,957
Shirtings and longcloth	pounds	3,032,080	2,768,994	2,562,507	35,149,405	34,556,860	28,476,114
	yards	15,622,453	13,927,191	12,801,801	170,492,943	170,891,725	148,120,997
T-cloth, domestics, and sheetings	pounds	246,280	251,694	145,307	3,314,869	2,472,761	2,088,302
	yards	1,554,129	1,620,140	956,809	17,754,771	15,650,893	15,517,423
Tent-cloth	pounds	...	...	...	315	5,844	390
	yards	...	...	...	1,200	27,520	480
Khadi, Dungri or Khaddar	pounds	15,463	8,060	9,231	1,456,737	108,555	81,983
	yards	58,959	22,025	27,565	4,869,788	327,779	234,946
Other sorts	pounds	250,161	320,182	314,459	2,591,132	3,271,959	3,347,487
	yards	1,317,740	1,800,868	1,719,430	12,884,801	16,691,255	18,852,371
TOTAL	pounds	8,378,822	9,224,054	9,198,674	107,795,198	111,286,725	111,835,333
	yards	44,492,035	50,579,606	49,151,103	535,262,456	572,554,591	604,036,977
Coloured piece-goods	pounds	3,199,045	4,165,890	3,925,662	28,253,400	37,000,348	43,959,763
	yards	17,881,974	24,259,161	22,498,323	156,331,361	208,680,960	255,830,464
Grey and coloured goods, other than piece-goods	pounds	11,413	20,134	12,437	215,636	174,524	141,165
	dozens	7,433	18,260	6,964	70,203	106,239	110,206
Hosiery	pounds	40,619	39,802	1,101	340,872	287,711	370,829
	dozens	7,780	9,705	827	71,289	62,986	76,761
Miscellaneous	pounds	55,491	7,050	11,094	509,822	443,860	576,892
Cotton goods mixed with silk or wool.	„	146	278	13,196	660,765	83,662	113,086
GRAND TOTAL	„	11,685,536	13,457,208	13,162,164	137,775,693	149,276,830	156,997,068
	yards	62,374,009	74,838,767	71,649,426	691,593,817	781,235,551	859,867,441
	dozens	15,213	27,965	7,791	141,492	169,225	186,967

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued

MADRAS

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	15,748	58,266	22,503	432,314	392,172	450,337
	yards	36,427	152,835	48,189	967,352	928,218	959,509
Dhutis	pounds	216,326	181,119	177,761	2,416,363	2,621,022	2,541,994
	yards	1,273,967	923,552	977,294	13,862,503	13,794,358	13,130,062
Drills and jeans	pounds	92,691	95,031	126,116	537,277	571,225	897,437
	yards	250,819	232,678	328,851	1,483,282	1,487,130	2,348,456
Cambrics and lawns	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Printers	pounds	...	...	...	...	...	742
	yards	...	...	...	...	...	3,334
Shirtings and longcloth	pounds	116,614	301,257	257,119	1,820,111	3,388,697	3,168,555
	yards	525,257	1,294,190	1,108,746	7,550,460	13,815,913	13,351,629
T-cloth, domestics, and sheetings	pounds	4,510	5,189	11,831	260,259	173,147	204,929
	yards	14,775	16,336	30,090	1,020,420	443,000	529,654
Tent-cloth	pounds	...	6,587	2,208	173	13,133	30,857
	yards	...	9,473	3,986	280	18,857	47,970
Khadi, Dungri or Khaddar	pounds	52,405	116,702	76,930	1,169,218	1,176,675	945,309
	yards	112,520	218,059	136,048	2,137,560	2,353,672	1,730,853
Other sorts	pounds	22,274	8,774	15,934	220,354	94,365	137,564
	yards	51,341	85,557	114,742	183,730	331,456	1,582,196
Total	pounds	520,568	772,925	690,402	6,856,069	8,430,436	8,377,724
	yards	2,265,106	2,932,680	2,747,946	27,205,587	33,172,604	33,683,663
Coloured piece-goods	pounds	823,854	999,239	957,624	10,540,380	11,123,968	11,753,848
	yards	2,722,714	3,261,764	2,931,996	34,005,836	35,644,338	36,863,618
Grey and coloured goods, other than piece-goods	pounds	41,266	26,152	44,990	585,516	356,779	512,562
	dozens	9,517	4,964	9,815	130,985	82,562	105,212
Hosiery	pounds	65,201	89,423	67,340	498,040	670,013	923,743
	dozens	19,123	20,127	20,715	144,709	171,966	248,791
Miscellaneous	pounds	930	2,846	1,690	6,080	121,964	35,379
Cotton goods mixed with silk or wool	„	98,848	128,271	76,041	1,181,676	1,070,431	955,075
Grand Total	„	1,550,667	2,018,856	1,838,087	19,667,761	21,773,591	22,558,331
	yards	4,987,820	6,194,444	5,679,942	61,211,423	68,816,942	70,547,281
	dozens	28,640	25,091	30,530	275,694	254,528	354,003

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued

BENGAL

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	2,143	2,091	6,354	368,347	183,643	181,322
	yards	7,012	8,250	17,788	823,764	616,345	525,047
Dhutis	pounds	1,159,796	1,214,874	1,534,982	11,779,831	13,166,845	16,495,253
	yards	5,619,722	6,289,657	7,865,435	56,514,889	65,053,453	82,399,219
Drills and jeans	pounds	108	...	...	125	22,664	27,289
	yards	340	...	...	381	88,236	119,703
Cambrics and lawns	pounds	...	...	2	2,405	...	2
	yards	...	...	20	13,430	...	20
Printers	pounds	...	...	...	138	...	...
	yards	...	...	...	700	...	...
Shirtings and longcloth	pounds	146,021	136,730	263,264	1,657,708	2,095,991	2,037,540
	yards	582,022	624,430	1,245,554	6,585,909	8,908,954	9,396,777
T-cloth, domestics, and sheetings	pounds	3,623	186	2,020	11,347	13,313	13,157
	yards	15,198	893	9,728	50,031	56,555	71,255
Tent-cloth	pounds	...	...	...	...	4,438	...
	yards	...	...	...	...	8,682	...
Khadi, Dungri or Khaddar	pounds	48,201	35	5,773	1,410,397	198,740	330,201
	yards	129,414	96	14,712	3,613,736	528,518	846,853
Other sorts	pounds	2	1,336	...	5,521	17,931	9,642
	yards	14	13,520	...	28,225	175,345	70,474
TOTAL	pounds	1,359,894	1,355,252	1,812,395	15,235,819	15,703,565	19,094,406
	yards	6,353,722	6,936,846	9,153,237	67,631,065	75,436,088	93,429,348
Coloured piece-goods	pounds	67,520	61,214	42,666	842,263	750,584	808,437
	yards	353,940	272,902	219,560	3,978,700	3,927,969	4,268,915
Grey and coloured goods other than (piece-goods)	pounds	387	25,720	5,397	476	39,028	6,188
	dozens	98	7,389	44	103	10,165	51
Hosiery	pounds	30,868	46,263	64,042	482,814	587,144	810,110
	dozens	8,234	13,075	18,465	127,411	162,980	226,784
Miscellaneous	pounds	8,873	19,168	5,024	150,204	110,401	95,450
Cotton goods mixed with silk or wool	„	3,974	2,575	2,735	36,377	13,370	37,466
GRAND TOTAL	„	1,471,516	1,510,192	1,932,259	16,747,953	17,204,092	20,852,057
	yards	6,707,662	7,209,748	9,372,797	71,609,765	79,364,057	97,698,263
	dozens	8,332	20,464	18,509	127,514	173,145	226,835

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued

UNITED PROVINCES

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	23,761	90,827	34,175	1,506,925	1,712,904	1,246,000
	yards	43,681	181,186	65,079	3,191,172	4,168,781	2,771,581
Dhutis	pounds	1,071,835	1,851,625	2,211,600	14,960,974	18,941,413	22,910,819
	yards	4,872,617	8,382,414	9,159,568	69,469,337	86,668,609	102,237,751
Drills and jeans	pounds	76,363	103,908	114,180	1,248,467	1,016,409	1,181,344
	yards	200,774	257,457	291,651	3,593,412	2,906,703	3,506,604
Cambrics and lawns	pounds	54,189	11,590	2,016	414,139	315,490	117,536
	yards	293,144	65,388	9,283	1,990,948	1,693,155	597,199
Printers	pounds	22,484	42,718	4,544	278,906	349,933	250,780
	yards	84,949	158,555	17,071	1,015,431	1,320,552	1,055,342
Shirtings and longcloth	pounds	131,381	173,664	212,004	3,593,334	2,346,747	2,373,048
	yards	596,077	692,627	879,261	13,903,720	9,200,354	9,281,906
T-cloth, domestics, and sheetings	pounds	623,070	644,581	660,739	7,495,034	8,261,443	9,006,732
	yards	2,158,989	2,282,825	2,159,052	25,146,008	28,842,342	31,017,534
Tent-cloth	pounds	23,144	34,970	47,404	414,987	324,520	563,988
	yards	50,859	67,900	89,040	939,193	620,582	1,115,205
Khadi, Dungri or Khaddar	pounds	20,516	17,769	14,508	642,557	208,862	198,285
	yards	54,559	53,461	47,170	1,549,791	616,363	559,462
Other sorts	pounds	31,887	19,489	80,342	383,825	442,974	529,073
	yards	139,010	71,877	751,066	1,721,113	2,083,119	2,519,252
TOTAL	pounds	2,078,630	2,991,141	3,381,512	30,939,148	33,920,695	38,377,605
	yards	8,494,659	12,213,690	13,468,241	122,520,125	138,120,560	154,659,836
Coloured piece-goods	pounds	89,064	127,859	179,449	1,817,920	1,413,715	1,913,843
	yards	407,599	611,079	802,710	7,481,006	6,080,982	8,191,647
Grey and coloured goods other than piece-goods	pounds	47,086	70,352	93,252	839,085	839,514	993,826
	dozens	10,900	14,657	20,690	165,568	162,739	182,330
Hosiery	pounds	8,898	4,778	...	143,713	131,237	144,400
	dozens	3,550	1,923	...	59,086	55,593	63,659
Miscellaneous	pounds	7,325	6,158	4,724	189,504	62,102	36,385
Cotton goods mixed with silk or wool	„	605	...	...	25,065	2,588	30
GRAND TOTAL	„	2,231,608	3,200,288	3,658,937	33,954,435	36,369,851	41,466,089
	yards	8,902,258	12,824,769	14,270,951	130,001,131	144,201,542	162,851,483
	dozens	14,450	16,580	20,690	224,654	218,332	245,989

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds) and their equivalent (in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

AJMER-MERWARA

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	6,853	18,647	15,378	80,912	119,460	137,388
	yards	11,068	85,486	25,841	143,516	315,143	273,979
Dhutis	pounds	49,195	69,819	73,948	917,714	752,330	755,965
	yards	206,377	289,657	325,811	3,980,766	3,287,455	3,169,953
Drills and jeans	pounds	...	...	...	...	...	6,247
	yards	...	...	...	...	...	28,457
Cambrics and lawns	pounds	...	...	...	274	...	2,566
	yards	...	...	...	1,627	...	19,844
Printers	pounds	1,425	...	...	34,115	...	...
	yards	6,965	...	...	157,618	...	...
Shirtings and longcloth	pounds	33,605	43,046	25,435	267,920	327,427	354,814
	yards	155,298	266,838	125,096	1,437,339	1,956,384	1,947,098
T-cloth, domestics, and sheetings	pounds	...	337	...	10,826	805	24,752
	yards	...	1,690	...	49,850	3,665	107,958
Tent cloth	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Khadi, Dungri or Khaddar	pounds	289,665	393,084	433,335	3,328,659	4,481,296	4,996,327
	yards	957,658	1,369,174	1,597,070	10,511,699	14,876,859	17,075,923
Other sorts	pounds	6,415	9,103	11,028	96,316	96,829	280,770
	yards	...	...	...	5,058	...	585,731
TOTAL	pounds	387,158	534,036	559,124	4,736,736	5,778,147	6,558,329
	yards	1,337,366	2,012,845	2,073,818	16,287,473	20,439,506	23,208,943
Coloured piece-goods	pounds	8,265	10,486	15,117	50,065	84,418	141,026
	yards	82,051	102,787	98,722	472,585	834,969	1,171,308
Grey and coloured goods other than piece-goods	pounds	...	...	...	3,027	813	381
	dozens	...	...	...	795	199	41
Hosiery	pounds	...	...	...	...	...	...
	dozens	...	...	...	...	...	...
Miscellaneous	pounds	...	...	...	...	...	...
Cotton goods mixed with silk or wool	„	...	425	2,814	15,475	2,824	10,100
GRAND TOTAL	„	395,423	544,947	577,055	4,805,303	5,866,202	6,709,836
	yards	1,419,417	2,115,632	2,172,540	16,760,058	21,274,475	24,380,251
	dozens	...	...	...	795	199	41

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds) and their equivalent (in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

PUNJAB

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	31,451	30,687	37,386	176,234	402,864	368,262
	yards	78,052	68,986	80,579	504,685	938,977	829,511
Dhutis	pounds	13,316	39,555	39,835	140,950	389,173	424,668
	yards	49,431	146,368	171,975	593,025	1,434,796	1,731,799
Drills and jeans	pounds	...	...	...	5,769	3,102	218
	yards	...	...	...	19,390	9,880	570
Cambrics and lawns	pounds	...	...	...	2,593	360	261
	yards	...	...	...	19,147	2,609	2,147
Printers	pounds	...	...	...	13,542	...	...
	yards	...	...	...	62,445	...	...
Shirtings and longcloth	pounds	1,316	59,948	21,504	63,048	400,080	408,477
	yards	5,559	322,172	101,453	267,927	2,140,413	2,118,196
T-cloth, domestics, and sheetings	pounds	...	...	23,252	2,361	670	23,271
	yards	...	...	58,913	10,760	1,164	59,030
Tent cloth	pounds	...	3,522	...	...	15,909	6,242
	yards	...	6,448	...	...	28,771	11,380
Khadi, Dungri or Khaddar	pounds	50,836	66,177	39,186	667,535	715,790	860,653
	yards	190,040	241,199	155,427	2,072,148	2,424,232	3,001,137
Other sorts	pounds	...	...	7,968	39,834	64,153	46,946
	yards	...	...	36,412	166,428	288,284	204,516
TOTAL	pounds	96,919	199,889	169,131	1,111,866	1,992,101	2,138,998
	yards	323,082	785,173	604,759	3,715,955	7,269,126	7,958,286
Coloured piece-goods	pounds	2,979	3,763	5,210	75,025	54,027	78,245
	yards	16,482	21,639	32,332	380,054	305,955	473,212
Grey and coloured goods other than piece-goods	pounds	733	1,576	3,240	6,396	9,718	10,544
	dozens	138	364	549	2,091	1,684	2,039
Hosiery	pounds	1,563	2,190	...	8,210	12,688	17,275
	dozens	1,470	2,160	...	7,492	12,908	14,015
Miscellaneous	pounds	...	1,125	...	...	1,125	1,732
Cotton goods mixed with silk or wool	,,	341	243	286	2,731	5,956	3,523
GRAND TOTAL	,,	102,535	208,786	177,867	1,204,228	2,075,615	2,250,317
	yards	339,564	806,812	637,091	4,096,009	7,575,081	8,431,498
	dozens	1,608	2,524	549	9,583	14,592	16,054

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

DELHI

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	197,625	89,364	128,092	2,475,616	3,289,074	3,357,942
	yards	502,895	283,942	366,985	6,046,589	8,368,724	9,406,072
Dhutis	pounds	420,106	228,254	578,482	4,126,302	5,843,928	5,747,095
	yards	1,473,084	654,668	2,417,442	14,394,271	20,100,880	23,090,328
Drills and jeans	pounds	13,322	482,893	11,872	124,819	539,325	113,668
	yards	49,075	1,630,739	41,348	433,896	1,823,285	336,541
Cambrics and lawns	pounds	5,442	7,408	...	19,057	27,303	15,387
	yards	48,580	36,684	...	157,626	249,714	174,053
Printers	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Shirtings and longcloth	pounds	66,514	87,889	213,107	539,421	635,060	814,364
	yards	274,060	317,305	874,017	2,192,669	2,447,764	3,468,670
T-cloth, domestics, and sheetings	pounds	20,804	262,586	88,129	372,273	3,499,876	3,795,329
	yards	71,784	1,028,174	319,696	1,264,990	12,307,501	14,152,419
Tent-cloth	pounds	37,515	45,290	37,434	816,565	723,804	855,493
	yards	96,810	107,134	92,604	2,031,684	1,729,536	2,285,608
Khadi, Dungri or Khaddar	pounds	384,027	228,877	181,935	7,248,537	4,455,235	3,762,720
	yards	1,272,589	730,177	649,144	22,535,890	13,007,672	12,688,139
Other sorts	pounds	27,880	14,654	94,284	398,587	362,288	491,253
	yards	128,066	69,256	575,364	1,189,149	1,293,831	2,295,379
TOTAL	pounds	1,173,235	1,447,215	1,333,335	16,121,177	19,375,893	18,953,251
	yards	3,916,943	4,858,079	5,336,600	50,246,764	61,328,907	67,897,209
Coloured piece-goods	pounds	262,682	202,484	88,545	1,616,574	2,214,517	1,854,272
	yards	1,402,167	1,163,734	374,586	7,648,523	10,103,385	8,596,838
Grey and coloured goods other than piece-goods	pounds	2,104	11,275	48,560	47,604	67,112	297,589
	dozens	361	3,825	13,850	14,514	14,981	85,434
Hosiery	pounds	...	...	...	...	...	13,864
	dozens	...	...	...	...	...	4,083
Miscellaneous	pounds	...	...	...	...	...	...
Cotton goods mixed with silk or wool	„	...	...	...	70	...	...
GRAND TOTAL	„	1,438,021	1,666,974	1,470,440	17,785,425	21,657,522	21,118,976
	yards	5,319,110	6,021,813	5,711,186	57,895,287	71,432,292	76,494,047
	dozens	361	3,825	13,850	14,514	14,981	89,517

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

CENTRAL PROVINCES and BERAR

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	18,817	50,658	34,588	693,468	773,039	952,023
	yards	54,415	149,868	105,259	1,752,072	2,044,496	2,450,967
Dhutis	pounds	699,736	694,412	871,353	7,792,103	8,976,441	8,624,094
	yards	2,916,203	3,087,307	3,556,556	32,900,058	37,536,559	36,879,182
Drills and jeans	pounds	73,704	53,172	58,753	905,952	619,638	494,213
	yards	275,286	243,590	224,312	3,470,856	2,450,993	1,997,594
Cambrics and lawns	pounds	11,843	3,185	713	28,231	54,073	41,426
	yards	65,998	17,140	4,440	171,360	321,750	266,043
Printers	pounds	38,374	21,456	35,281	274,664	421,061	314,679
	yards	206,394	116,524	190,251	1,441,096	2,196,592	1,650,313
Shirtings and longcloth	pounds	107,773	151,840	97,621	1,210,403	1,729,768	1,500,380
	yards	480,931	608,104	395,460	5,353,432	7,490,874	5,991,094
T-cloth, domestics, and sheetings	pounds	120,900	50,091	99,848	1,001,544	1,086,505	774,910
	yards	443,938	190,455	367,751	3,988,600	4,064,176	2,696,779
Tent-cloth	pounds	32,953	49,048	26,727	670,021	438,312	335,883
	yards	90,964	112,814	66,835	1,845,205	1,068,355	828,483
Khadi, Dungri or Khaddar	pounds	107,675	127,836	246,854	2,634,202	1,802,236	2,253,160
	yards	334,286	358,635	676,227	7,709,961	5,101,328	6,000,293
Other sorts	pounds	49,838	16,798	24,967	498,089	380,994	357,006
	yards	215,543	75,463	115,799	2,277,547	1,750,514	1,561,910
TOTAL	pounds	1,261,613	1,218,496	1,496,705	15,708,677	16,282,067	15,647,774
	yards	5,083,958	4,959,900	5,702,890	60,910,187	64,025,637	60,322,658
Coloured piece-goods	pounds	400,459	349,315	232,959	5,293,018	4,238,603	4,458,905
	yards	1,647,418	1,541,304	1,004,736	21,087,260	17,631,114	18,104,829
Grey and coloured goods other than piece-goods	pounds	10,485	16,495	3,283	209,773	131,049	113,031
	dozens	1,500	1,290	789	24,194	21,123	23,142
Hosiery	pounds	...	...	...	...	...	...
	dozens	...	...	...	...	...	...
Miscellaneous	pounds	49,609	48,665	48,320	436,442	449,109	493,711
Cotton goods mixed with silk or wool	„	...	...	...	...	...	...
GRAND TOTAL.	„	1,722,166	1,632,971	1,781,267	21,647,910	21,100,828	20,713,421
	yards	6,731,376	6,501,204	6,707,626	81,997,447	81,656,751	78,427,487
	dozens	1,500	1,290	789	24,194	21,123	23,142

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds) and their equivalent (in yards) and DESCRIPTION of WOVEN GOODS Manufactured—continued.

BIHAR AND ORISSA

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Dhutis	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Drills and jeans	pounds	...	...	1,191	...	...	1,526
	yards	...	...	3,244	...	...	4,226
Cambrics and lawns	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Printers	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Shirtings and longcloth	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
T-cloth, domestics, and sheetings	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Tent cloth	pounds	...	...	...	...	...	14,711
	yards	...	...	...	...	...	37,994
Khadi, Dungri or Khaddar	pounds	...	...	...	...	...	...
	yards	...	...	...	...	...	...
Other sorts	pounds	...	...	...	...	...	14,285
	yards	...	...	...	...	...	32,912
Total	pounds	...	...	1,191	...	...	30,522
	yards	...	...	3,244	...	...	75,132
Coloured piece-goods	pounds	...	...	5,843	...	...	29,668
	yards	...	...	13,379	...	...	66,850
Grey and Coloured goods other than piece-goods	pounds	...	...	...	...	...	721
	dozens	...	...	...	...	...	139
Hosiery	pounds	...	...	...	...	...	...
	dozens	...	...	...	...	...	...
Miscellaneous	pounds	...	...	...	...	...	...
Cotton goods mixed with silk or wool	„	...	...	...	...	...	...
GRAND TOTAL	„	...	...	7,034	...	...	60,911
	yards	...	...	16,623	...	...	141,982
	dozens	...	...	...	...	...	139

No. 6.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured—concluded.

TOTAL OF BRITISH INDIA

Description		Month of March			Twelve months, April to March.		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	888,535	1,053,975	1,025,503	17,629,697	18,414,713	18,467,373
	yards	3,756,894	3,104,066	2,700,632	47,103,390	49,516,340	50,362,189
Dhutis	pounds	11,984,513	13,893,411	15,886,781	150,187,091	173,915,725	194,402,342
	yards	59,326,716	72,140,237	81,258,872	768,530,376	900,408,471	1,022,094,905
Drills and jeans	pounds	1,853,148	2,102,455	1,900,286	17,600,871	22,392,339	23,066,728
	yards	7,460,499	7,890,704	7,079,857	65,598,315	85,846,084	90,216,705
Cambrics and lawns	pounds	708,239	1,029,156	922,162	3,764,870	5,740,509	8,666,807
	yards	5,456,930	8,230,061	6,522,046	27,217,808	42,913,059	65,014,598
Printers	pounds	319,978	253,539	160,948	2,454,934	3,222,396	1,973,111
	yards	1,602,201	1,387,118	963,568	12,719,888	16,468,635	11,128,871
Shirtings and longcloth	pounds	11,596,472	14,187,183	10,880,012	123,454,287	152,042,441	138,643,924
	yards	53,203,258	64,565,202	48,822,198	562,242,224	686,740,919	630,348,061
T-cloth, domestics, and sheetings	pounds	2,554,487	3,396,857	2,143,139	26,701,322	37,465,680	35,819,559
	yards	9,639,373	12,791,245	8,120,304	102,211,355	135,819,110	130,518,090
Tent-cloth	pounds	115,995	143,792	179,388	2,507,049	1,824,600	2,675,400
	yards	286,278	313,850	384,826	6,174,420	4,137,683	6,136,962
Khadi, Dungri or Khaddar	pounds	1,868,453	1,637,710	1,892,714	41,214,909	24,609,545	21,016,830
	yards	5,802,239	5,290,516	5,945,951	122,633,070	72,620,273	63,871,812
Other sorts	pounds	800,586	959,089	751,516	8,356,449	10,339,769	11,034,848
	yards	3,863,012	4,648,038	4,193,540	37,352,372	48,198,737	53,169,336
TOTAL	pounds	32,690,436	38,707,167	35,742,449	393,871,479	449,967,117	455,766,922
	yards	150,397,400	180,361,037	165,991,794	1,751,783,418	2,042,669,341	2,122,861,529
Coloured piece-goods	pounds	9,722,465	11,473,554	9,588,935	104,131,571	124,812,880	131,170,018
	yards	49,164,610	60,644,635	49,173,609	501,581,080	619,952,018	662,008,293
Grey and coloured goods other than piece-goods	pounds	172,354	313,287	317,724	3,026,490	3,020,265	3,299,659
	dozens	52,012	85,177	86,564	763,705	803,214	910,770
Hosiery	pounds	152,685	185,088	134,339	1,525,453	1,760,519	2,310,475
	dozens	45,585	48,962	41,638	444,947	550,148	653,650
Miscellaneous	pounds	125,967	139,130	171,914	2,206,058	3,125,718	3,905,306
Cotton goods mixed with silk or wool	„	314,297	152,252	163,684	3,109,294	2,609,137	1,499,585
GRAND TOTAL	„	43,178,204	50,970,478	46,119,045	507,870,345	585,295,636	597,951,965
	yards	199,562,010	241,005,672	215,165,403	2,253,364,498	2,662,621,359	2,784,869,822
	dozens	97,597	134,139	128,202	1,208,652	1,353,362	1,564,420

No. 7.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured.

INDIAN STATES (*a*)

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	100,592	127,360	192,715	2,802,067	2,750,384	3,339,588
	yards	247,815	299,527	488,029	6,849,181	6,209,695	8,264,914
Dhutis	pounds	1,137,315	1,233,775	1,462,157	14,093,825	14,398,252	15,754,841
	yards	4,846,336	5,422,836	7,064,206	62,874,653	64,131,780	74,712,341
Drills and jeans	pounds	337,575	553,896	520,102	3,436,392	3,849,127	5,214,273
	yards	1,422,950	2,593,756	2,531,910	15,140,519	17,386,919	23,730,353
Cambrics and lawns	pounds	100	17,238	57,600	304,916	65,977	371,966
	yards	650	104,939	403,399	1,639,181	409,244	2,360,509
Printers	pounds	134,862	65,958	40,212	1,363,485	1,240,478	523,879
	yards	681,557	319,641	139,566	6,386,232	5,490,645	2,528,697
Shirtings and longcloth	pounds	1,835,040	2,314,411	2,403,362	17,862,723	24,214,791	26,508,420
	yards	8,260,175	10,473,100	10,270,364	79,980,659	104,173,083	117,701,641
T-cloth, domestics, and sheetings	pounds	475,182	305,495	444,134	5,598,358	5,039,346	3,763,502
	yards	1,754,627	1,100,130	1,593,159	19,688,813	18,588,520	13,173,506
Tent-cloth	pounds	19,812	22,082	16,420	892,115	2,492,519	178,727
	yards	59,436	66,240	49,260	2,563,637	760,286	531,568
Khadi, Dungri or Khaddar	pounds	1,487,711	1,347,564	1,222,654	19,003,903	16,961,268	18,527,828
	yards	4,201,262	3,779,530	3,490,371	52,579,893	46,900,696	51,627,637
Other sorts	pounds	55,859	151,535	133,292	1,095,280	1,279,945	1,841,570
	yards	217,992	491,081	488,848	4,004,054	4,384,256	6,504,356
TOTAL	pounds	5,584,048	6,139,314	6,492,648	66,453,064	70,049,087	76,024,604
	yards	21,692,800	24,650,786	26,519,112	251,706,822	268,435,124	300,135,525
Coloured piece-goods	pounds	1,141,193	1,360,190	1,481,234	13,386,654	13,808,406	19,553,925
	yards	5,013,345	5,621,129	6,586,920	56,061,715	58,834,678	84,893,152
Grey and coloured goods, other than piece-goods	pounds	2,367	22,480	13,966	152,176	217,431	242,637
	dozens	500	2,969	1,635	15,660	28,130	36,201
Hosiery	pounds	12,883	20,568	12,199	142,381	214,296	233,864
	dozens	5,184	7,568	4,693	54,736	72,511	92,691
Miscellaneous	pounds	172,659	31,031	32,463	2,019,140	2,236,692	386,642
Cotton goods mixed with silk or wool	„	60,069	83,326	47,404	334,204	436,084	507,419
GRAND TOTAL	„	6,973,219	7,596,909	8,079,914	82,487,619	86,961,996	96,949,091
	yards	26,705,145	30,271,915	33,106,032	307,768,537	327,269,802	385,028,677
	dozens	5,684	10,537	6,328	70,396	100,641	128,892

(*a*) See notes at foot of Table No. 2.

No. 8.—DETAILED STATEMENT of the QUANTITY (in pounds and their equivalent in yards) and DESCRIPTION of WOVEN GOODS Manufactured.

GRAND TOTAL INDIA (British India and Indian States).

Description		Month of March			Twelve months, April to March		
		1931	1932	1933	1930-31	1931-32	1932-33
Grey and bleached piece-goods—							
Chadars	pounds	989,127	1,181,335	1,218,218	20,431,764	21,165,097	21,806,961
	yards	4,004,709	3,403,593	3,188,661	53,952,571	55,726,035	58,627,103
Dhutis	pounds	13,121,858	15,127,186	17,348,938	164,280,916	188,313,977	210,157,183
	yards	64,173,052	77,563,073	88,323,078	831,405,029	964,540,251	1,096,807,246
Drills and jeans	pounds	2,190,723	2,656,351	2,420,388	21,037,263	26,241,466	28,281,001
	yards	8,883,449	10,484,460	9,611,767	80,738,834	103,233,003	112,947,058
Cambrics and lawns	pounds	708,339	1,046,394	979,762	4,069,786	5,806,486	9,038,773
	yards	5,457,580	8,335,000	6,925,445	28,856,989	43,322,303	67,375,107
Printers	pounds	454,840	319,497	201,160	3,818,419	4,462,874	2,496,990
	yards	2,283,758	1,706,759	1,103,134	19,106,120	21,959,280	13,657,568
Shirtings and longcloth	pounds	13,431,512	16,501,594	13,283,374	141,317,010	176,257,232	165,152,344
	yards	61,463,433	75,038,302	59,092,562	642,222,883	790,914,032	748,049,705
T-cloth, domestics, and sheetings	pounds	3,029,669	3,702,352	2,587,273	32,299,680	42,505,026	39,583,061
	yards	11,394,000	13,891,375	9,713,463	121,900,368	154,407,630	143,691,596
Tent-cloth	pounds	135,807	165,874	195,808	3,399,164	2,073,519	2,854,127
	yards	345,714	380,096	434,086	8,738,057	4,897,969	6,668,530
Khadi, Dungri or Khaddar	pounds	3,356,164	3,035,274	3,115,368	60,218,812	41,570,813	39,544,668
	yards	10,003,501	9,070,046	9,436,322	175,212,963	119,520,969	115,499,449
Other sorts	pounds	856,445	1,110,624	884,808	9,451,729	11,619,714	12,876,418
	yards	4,081,001	5,139,119	4,682,388	41,356,426	52,582,993	59,673,692
TOTAL	pounds	38,274,484	44,846,481	42,235,097	460,324,543	520,016,204	531,791,526
	yards	172,090,200	205,011,823	192,510,906	2,003,490,240	2,311,104,465	2,422,997,054
Coloured piece-goods	pounds	10,863,658	12,773,744	11,070,169	117,518,225	138,621,286	150,723,943
	yards	54,177,955	68,265,764	55,760,529	557,642,795	678,786,696	746,901,445
Grey and Coloured goods, other than piece-goods	pounds	174,721	335,767	331,690	3,178,666	3,237,698	3,542,296
	dozens	52,512	88,146	88,199	779,365	831,344	946,971
Hosiery	pounds	165,568	205,656	146,538	1,667,834	1,974,815	2,544,339
	dozens	50,769	56,530	46,331	499,683	622,659	746,341
Miscellaneous	pounds	298,626	170,161	204,377	4,225,198	5,362,410	4,291,948
Cotton goods mixed with silk or wool	„	374,366	235,578	211,088	3,443,498	3,045,221	2,007,004
GRAND TOTAL	„	50,151,423	58,567,387	54,198,959	590,357,964	672,257,632	694,901,056
	yards	226,268,155	271,277,587	248,271,435	2,561,133,035	2,989,891,161	3,169,898,499
	dozens	103,281	144,676	134,530	1,279,048	1,454,003	1,693,312

[Compiled in the Office of the Director-General of Commercial Intelligence and Statistics, India, Calcutta.]

MGIPC—S3—II-1-190—21-7-33—300.

THE MILLOWNERS' ASSOCIATION, BOMBAY

MILL STATEMENT FOR 31st AUGUST 1932

PART III

MILLS OUTSIDE THE BOMBAY PRESIDENCY

RAJPUTANA.

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	SITUATION OF MILL.	CAPITAL. Number of Shares.	CAPITAL. Nominal value of each Share.	CAPITAL. Total amount of Capital paid up.	NUMBER OF SPINDLES. Main	NUMBER OF SPINDLES. Reserve	NUMBER OF SPINDLES. Total	Average number of Spindles working on each day.	Number of Looms.	Average number of Looms working on each day.	Average quantity of Cotton consumed during the month or number of lbs. per bale.	Average number of Hands employed daily.	Total Number of days worked from 1st August 1931 to 31st July 1932.	Remarks.
a. Edward Mills Co., Ltd.	Messrs. Jardine, Henderson & Co., Agents, Agents, Sugar Merchants, Bankers, Bombay.	Beawar	1,000	Rs. 500	Rs. 5,00,000	6,096	12,828	18,924	13,284	250	200	2,417	904	312	
c. Morton Mills, Ltd.	Messrs. Thakersey Ramsey & Co., Agents, Engineers, Millwrights, Bombay.	Post Box Station, Beawar	1,400	250	3,50,000	3,276	10,824	14,100	12,012	362	284	2,330	1,013	311	
d. Mahalakshmi Mills Co., Ltd.	Messrs. Shah, Lalchand Bulakrai and Sons, Cotton Merchants, Secretaries, Treasurers and Agents, Beawar.	Beawar	12,000	100	12,00,000		12,000	12,000	11,280	250	197	2,500	304	308	
f. (1) Maharaja Kishangarh Spinning Mills Co., Ltd. (Liquidated)	Messrs. Cullimal Damodhar & Co., Agents, Cotton Merchants, Kishangarh (Rajputana).	Kishangarh (Rajputana)	30,000	10	3,00,000	10,032	6,432	16,464	10,080	72	72	2,500	412		
h. New Weaving and Trading Co., Ltd.	Messrs. Jardine Henderson Limited, Bombay, Agents, Office on Mill premises.	Ajmer	1,000	10	8,61,150					24	24	1,127	200		
		Total			34,52,150	19,404	41,084	60,488	46,656	1,408	1,099	10,874	3,033		

CENTRAL PROVINCES.

a. New Swadeshi Mills Co., Ltd.	Messrs. Shri Ramkrishna Dalmia & Agents, Lloyd Building, Ganpat Road, Malleal Estate, Lodi, Bombay.	Nagpur	2,750	100	2,75,000		30,000	30,000				2,100	1,000	310	
c. J. M. S. Buckingham Spinning Mills, Ltd. (Under Liquidation)	Messrs. J. M. S. Buckingham (Liquidator Mukund), Agents, Cotton Merchants, Bombay.	Akola	1,000	100	1,00,000	2,016	10,464	12,480	10,872	432	408	2,500	1,134	310	
d. Empress Mills, Ltd.	Messrs. Tata Sons, Ltd., Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	Ezmouth, Akola	1,500	100	1,50,000		31,752	31,752	27,360	720	656	2,500	1,752	310	
g. Vasantdas Mills Stored, Ltd.	Messrs. J. M. Underwald & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Ellichpur, Amraoti Dist.	60,757	100	60,75,700		30,976	30,976	30,720	576	576	2,500	776	307	
		Total			66,75,700	1,008	53,192	54,200	41,232	1,152	1,064	7,100	1,912		
i. Bengal-Nagpur Cotton Mills, Ltd.	Messrs. Shaw Wallace & Co., Managing Agents, Post Box No. 21, 4, Bankshall Street, Calcutta.	Ahej-Bazargaon, C. P.	(Pref. 50,000 / Pref. 1,000	10 / 100	5,00,000 / 1,00,000		33,792	33,792	31,320	704	704	2,583	1,222	314	
n. Bhatargaon Tapti Mill, Ltd.	Messrs. Cassidy Lindsay & Co., Managing Agents, Cotton Merchants, Bombay.	Bhatargaon, Ltd Raj Nimar District, C. P.	87,500	100	14,00,000	672	13,848	14,520	6,960	192	192	2,500	1,000	310	
		Bhatargaon Branch, Mill, Railway Station.													
p. Central India Spinning, Weaving and Mfg. Co., Ltd. (Empress Mills).	Messrs. Tata Sons, Ltd., Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	Nagpur, C. P.	(Ord. 46,875 / Pref. 15,000	100 / 100	46,87,500 / 15,00,000		1,01,832	1,01,832	99,072	2,304	1,824	14,264	6,240	313	
q. Model Mills, Nagpur, Ltd.	Messrs. Shahid Allahbhoy & Co., Agents, Cotton Merchants, Bombay.	Cotton Road, Nagpur, C.P.	10,332	100	10,14,632		21,648	21,648	20,472	552	552	2,500	1,000	313	
		Total	182	1,000	182		1,22,880	1,22,880	1,19,544	2,856	2,376	16,764	7,240		
r. Pulgaon Cotton Spinning, Weaving and Manufacturing Co., Ltd.	Messrs. Lakshminarayan Agarwal & Sardarmal Krishna Pitale, Managing Directors, Office on Mill premises.	Pulgaon, Dist. Wardha, C. P.	Ord. 4,000	100	4,00,000		33,312	33,312	30,312	624	600	2,500	1,134	309	
s. The Jubbulpore Electric Light and Power Co., Ltd.	The Manager for Electrician Dept., Kr. Bhandari for Electrician Dept., Kr. Bhandari for Secretaries, Treasurers, Bombay.	Jubbulpore, Dist. Wardha, C. P.			47,00,000		45,696	45,696	39,192	864	672	2,304	1,248	308	
t. The Indian Rubber and Motors Spinning & Weaving Mill.	Messrs. Mahomedbhoy Mahomed Ali & Sons, Agents, Cotton Merchants, Bombay.	Ellichpur, Amraoti Dist.			25,00,000		23,880	23,880	22,008	672	576	2,400	1,400	310	
u. Raja Girdhar Mills, Ltd. (Formerly Girdhar Jubbulpore Cotton Manufacturing Co., Ltd.)	Messrs. Manohar Motis & Co., Agents, Mukund Mansion, Apollo Street, Fort Bombay.	Kanhal, Jubbulpore, C.P.	12,000	10	2,00,000		31,152	31,152	29,976	672	672	2,500	960	308	
		Total			5,57,50,632	674	3,07,320	3,07,994	2,80,752	6,752	5,960	34,528	16,824		

HYDERABAD (NIZAM'S TERRITORY.

a. Aurangabad Mills, Ltd.	Messrs. Dossumal Jeo & Co., Agents, 21, Victoria Buildings, Rowe Road, Sewri, Fort, Bombay.	Aurangabad, Deccan	1,000	1,000	10,00,000	6,048	7,488	13,536	12,420	272	252	2,500	824	284	
b. Deccan Industrial Manager Mills, Ltd.	Messrs. Dwarkas Seri Lachmeeswar, Managing Agents, 17, St. John's Road, Secunderabad.	Shivjagunta, Hyderabad (Deccan)	2,000	500	17,96,500		37,920	37,920	33,960	864	672	2,500	840	303	
d. Hyderabad (Deccan) Spinning and Weaving Co., Ltd.	Messrs. Hyderabad Financial and Trading Agencies, Secunderabad. Messrs. Kasar Lallubhai & Co., Advances, Kasar House, Fort, Bombay.	Secunderabad (Deccan)	300	1,000	3,00,000		11,520	11,520	9,840	288	240	2,500	300	310	
g. Nizamshahi Mahi Sutlerjee Mills Co., Ltd.	Messrs. Dossumal Jeo & Co., Agents, 21, Victoria Buildings, Rowe Road, Sewri, Fort, Bombay.	Sutlerjee, Deccan	1,000	500	5,00,000		26,424	26,424	25,488	672	576	2,500	1,264	310	
h. Osmanshahi Mills, Ltd.	Messrs. Dossumal Jeo & Co., Agents, 21, Victoria Buildings, Rowe Road, Sewri, Fort, Bombay.	Kanhal (Deccan) Post-ment.	20,000	100	21,00,000		24,336	24,336	24,180	648	576	2,722	1,344	310	
		Total			54,96,500	6,048	1,08,288	1,14,336	1,06,428	2,744	2,316	15,222	4,572		

CENTRAL INDIA.

a. Gwalior Mills Co., Ltd.	Messrs. Shantidas Kalidas, Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Lashkar, Gwalior	10,000	100	10,00,000		1,00,000	1,00,000	93,312	2,592	2,304	2,500	1,248	310	
c. The Cotton Ginning, Spg. and Wvg. Mills (Nazarat) Ltd.	Messrs. Ramdial Nandlal Bansilal & Co., Ltd., Lodge's Gate Mills, Indore.	Nazarbagh, Ujjain, Gwalior State.	10,000	100	10,00,000		1,00,000	1,00,000	93,312	2,592	2,304	2,500	1,248	310	
d. H. M. The Holkar's Spinning and Weaving Mills	Messrs. Ramdial Nandlal Bansilal & Co., Ltd., Lodge's Gate Mills, Indore.	Indore City	9,072	100	9,07,200		51,120	51,120	51,120	912	912	2,304	920	310	
g. Shakeerbaug Mills, Ltd.	Messrs. Surajmull Nathmull & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Do. do.	20,130	100	20,13,000	456	39,960	40,416	39,048	1,152	1,032	2,500	1,000	310	
h. Indore Malwa United Mills, Ltd., Old Mills (No. 1)	Messrs. Gwalior Commercial Electric & Ice, Ltd., Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Indore	20,000	100	20,00,000		44,814	44,814	40,536	1,152	1,104	2,304	1,200	310	
i. Indore Malwa United Mills, Ltd., New Mills (No. 2)	Messrs. Gwalior Commercial Electric & Ice, Ltd., Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Indore	2,500	100	2,50,000	1,280	1,280	2,560	2,160	48	48	2,304	1,200	310	
j. Jawahar Cotton Mills, Ltd.	Messrs. Ramdial Nandlal Bansilal & Co., Ltd., Lodge's Gate Mills, Indore.	Gwalior, near Hazar Road Station, G. I. P. Ry.	2,50,000	10	25,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	
k. Kaiumeshwar Mills, Ltd.	Messrs. Tribeckmull Kothareed & Co., Secretaries, Treasurers & Agents, Office on Mill premises.	Dhamtri Camp, Indore	40,000	100	40,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	
l. Nanabhai Bhandari Mills, Ltd.	Messrs. Nanabhai Bhandari and Sons, Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Indore City	20,000	100	20,00,000	936	51,480	52,416	52,080	1,008	1,008	2,304	1,248	310	
m. Kaiumeshwar Mills, Ltd.	Messrs. Tribeckmull Kothareed & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Do. do.	40,000	100	40,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	
n. Shree Sudesh Mills, Ltd., (Formerly Shree Meenakshi Cotton Spg. & Wvg. Co., Ltd.)	Messrs. Ramdial Nandlal Bansilal & Co., Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Indore	12,000	100	12,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	
o. Central India Weaving Mills, Ltd.	Messrs. Ramdial Nandlal Bansilal & Co., Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Gwalior, Central India	12,000	100	12,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	
p. Central India Spinning and Weaving Co., Ltd.	Messrs. Ramdial Nandlal Bansilal & Co., Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Gwalior, Central India	12,000	100	12,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	
q. Gwalior Cotton and Silk Mills, Ltd.	Messrs. Ramdial Nandlal Bansilal & Co., Secretaries, Treasurers and Agents, Cotton Merchants, Bombay.	Gwalior, Central India	12,000	100	12,00,000		51,264	51,264	51,264	1,008	1,008	2,304	1,248	310	

UNITED PROVINCES OF AGRA AND OUDH.

a. Agra Spinning and Weaving Mills Co., Ltd. (In Liquidation.)	Messrs. Bhagwati Sankar and Harakh Narain, Official Liquidators, 11, City Road, Allahabad.	12, Kacha Shahi													
b. Allahabad Mills.	Messrs. Jehangir Wadia & Co., Ltd., Messrs. Jehangir Wadia & Co., Ltd., Post Box No. 21, Cawnpore.	Allahabad, Cawnpore													
c. Bharat Cotton and Silk Mills.	Messrs. Sital Prasad Khanna Prasad, Managing Agents, Office on Mill premises.	Chowkaghat, Varanasi Cantonment.	(Ord. 8,00,000 / Pref. 12,000	100 / 100	8,00,000 / 12,000										
d. * Bijli Mills Branch of the Empire Mills, Ltd. (Formerly Victoria Cotton Mills, Ltd.)	Messrs. E. D. Sassoon & Co., Ltd., Secretaries, 11, Dougal Road, Ballard Estate, Fort, Bombay.	Bijli Mills, Shahganj, Dist. Agra.													
f. Campore Cotton Mills Co. (C. C. M.)	Messrs. Jehangir Wadia & Co., Ltd., Post Box No. 21, Cawnpore.	Cawnpore													
f. Do. do. (Extension)	Do. do.	Do. do.													
g. Cawnpore Textiles, Ltd.	Messrs. Hugo Sutherland & Co., Ltd., Agents, Sutherland House, Cawnpore.	Cawnpore													
h. Elgin Mills Co., Ltd.		Dalhousie Road, Cawnpore													
j. John's Egg & Wvg. Mills, formerly John's Cawnpore Spinning & Wvg. Co., Ltd.	Messrs. Jehangir Wadia & Co., Ltd., Post Box No. 21, Cawnpore.	Civil Lines, Cawnpore													
m. Do. (formerly John's Private Water Spinning Mill)	Messrs. John Brothers, Proprietors, 25, Lakshmanpuri, Agra.	Rajajpuri and Jeoni-ka-Bandh, Agra.													
n. Do. (formerly John's Spinning Mill)															
p. Jugdish Kinaiyaan Cotton Spinning and Wvg. Mills Co., Ltd.	Lala Lakshmipat, Director, Cloth Market, Cawnpore.	Cawnpore, Juhi, Cawnpore.													
q. Lalla Ram Harkesh Dass Cotton Spinning Mill Co.	Messrs. Lalla Lal Sahib, Proprietors, Office on Mill premises.	Sahebad Gate, Harkesh City, Aligarh District.													
r. Moorshahad Spinning and Weaving Mills Co., Ltd.	Rai Bahadur Lala Sri Ram, Secretary, Office on Mill premises.	Moorshahad, Dist. Aligarh.													
s. New Mills Co., Ltd.	Sir Tikamji Sahib, Sir, Managing Director, Cawnpore.	Cawnpore	(Ord. 30,000 / Pref. 20,000												
t. * Oudh Textile Mills Co., Ltd.	Messrs. Jehangir Wadia & Co., Secretaries, Treasurers and Agents, Post Box No. 21, Cawnpore.	Bahadur Ganj, Lucknow.													
u. Rai Bahadur Lala Sri Ram Cotton Mills, Ltd.	Messrs. Rai Bahadur Lala Sri Ram, Secretaries, Treasurers and Agents, Mumak Gate, Hathras City.	Hathras City, Aligarh Dist.													
v. New Victoria Mills, Co., Ltd.	Messrs. Jehangir Wadia & Co., Ltd., Post Box No. 21, Cawnpore.	Cawnpore	(Ord. 2,14,612 / Pref. 1,85,388												
w. Rham Spinning and Weaving Mills Co., Ltd.	Messrs. Rajnarain Bajpai, Managing Agent, Rham Bajpai Building, Mumak Gate, Hathras City.	Qasbah (District Hathras)	(Ord. 2,00,000 / Pref. 1,00,000												
x. * Rameshwari Continental Cotton Mills Co., Ltd.	L. H. Khanna, Esq., Managing Director, Lucknow.	Rahimabad, Lucknow	(Ord. 10,000 / Pref. 2,000 / Def. 2,00,000												
y. † † Sri Radhakrishna Mills	Sri Sahi, Babu Kishenprasad (Owner), Office on Mill premises.	Kutu Ghat, Mirzapur	Ord. 4,000 / Def. 2,00,000												
z. Swadeshi Cotton Mills Co., Ltd.	Messrs. Jehangir Wadia & Co., Ltd., Managing Director, Post Box No. 21, Cawnpore.	Juhi, Cawnpore.	12,000	100	12,00,000										
		Total													

MADRAS PRESIDENCY.

1. Buckingham and Carnatic Co., Ltd. (Buckingham Mill)	Messrs. Binny & Co. (Madras), Ltd., Managing Agents, 5, Armenian Street, Madras.	Pattaravakkam, Madras.	(Ord. 80,000 / Pref. 10,000												
2. Do. do. (Carnatic Mill)															
3. C. C. Anwar & Sons Weaving Factory	Messrs. C. Anwar & Sons, Proprietors, Office on Mill premises.	Chintadripet, Madras.													
4. Coimbatore Mills, Ltd.	Messrs. Parry Lindia & Co., Ltd., Managing Agents & Secretaries, 43, Coimbatore.	Coimbatore	(Pref. 60,000 / Ord. 80,000												
5. Coimbatore Spinning and Weaving Co., Ltd.	Messrs. B. Parthasarathy Naidu & Sons, Managing Agents, Race Course, Sastha, Coimbatore.	Race Course, Coimbatore.													
6. Coimbatore Spinning and Weaving Co., Ltd. (formerly Coimbatore Mill Mills Co., Ltd.)	Messrs. T. Stanes & Co., Ltd., Agents and Secretaries, Race Course, Sastha, Coimbatore.	Sastha, Coimbatore													
7. Coimbatore Textile Mills, Ltd. (Cassimere Weaving Works)	Messrs. T. Stanes & Co., Ltd., Agents and Secretaries, Race Course, Sastha, Coimbatore.	Sastha, Coimbatore													
8. Kaleeswara Mills, Ltd.	Messrs. T. Stanes & Co., Ltd., Agents and Secretaries, Race Course, Sastha, Coimbatore.	Somayanpalayam, Cotton Market, Coimbatore.													
9. Do. do. (Extension)	Do. do.	Do. do.													
10. Madura Mills Co., Ltd. (Madura Mills Weaving Mills, Ltd.)	Messrs. Binny & Co. (Madras), Ltd., Managing Agents & Secretaries, 5, Armenian Street, Madras.	Tallakulam, Madura.	(Ord. 60,000 / Pref. 10,000												
11. Do. do. (Extension)	Do. do.	Do. do.													
12. Pioneer Mills, Ltd.	Messrs. Binny & Co. (Madras), Ltd., Managing Agents & Secretaries, 5, Armenian Street, Madras.	Pioneer Nagar, Kamatchipuram, Coimbatore.	(Ord. 60,000 / Pref. 10,000												
13. Royal Mills, Ltd. (formerly Tinnevelly Textiles, Ltd.)	Messrs. T. Stanes & Co., Ltd., Agents, Dougal Road, Ballard Estate, Bombay.	Newtown, Tinnevelly.													
14. Madura United Spinning and Weaving Mills Co., Ltd.	Messrs. Ramnadan Haaji Yahiya & Co., Secretaries and Treasurers, 146, Dunbrell Road, Mint Street, Fort, Bombay.	Gokulapura Road, Chinna, Madura.													
15. Madura Mills Co., Ltd., Madura	Messrs. Binny & Co. (Madras), Ltd., Managing Agents & Secretaries, 5, Armenian Street, Madras.	Madura Tallakulam													
16. Madura Mills Co., Ltd., Tuticorin (formerly Coral Mills, Ltd.)		Tuticorin													
17. Madura Mills Co., Ltd., Ambasamudram (formerly Tinnevelly Mills, Ltd.)	Messrs. A. N. F. Harvey, Managers, Tallakulam.	Ambasamudram													
18. Madura Mills Co., Ltd. (Pandyan Mills, Madura)		Madura Race													
19. Mahalakshmi Textile Mills, Ltd.	Messrs. T. S. V. Lakshmana Chettiar & Co., Managing Agents, Panrooti, P. O., Madura.	Madura													
20. Malaiur Spinning and Weaving Co., Ltd.	Messrs. A. L. A. K. Arunachalam Chettiar & Co., A. L. A. K. Vellappa Chettiar and A. R. M. Ramanathan Chettiar, Managing Agents, Karaikudi.	Karaikudi, Ramnad													
21. Raja Mills	Messrs. A. L. A. Ganapathy Pandia & Co., Managing Agents, Office on Mill premises.	Panrooti, Coimbatore													
22. Sri Meenakshi Spg. & Wvg. Mills, Ltd.	Messrs. Sri Meenakshi Mills, Ltd., Managing Agents, Panrooti, P. O., Madura.	Madura													
23. Sri Meenakshi Mills, Ltd.	Messrs. Sri Meenakshi Mills, Ltd., Managing Agents, Panrooti, P. O., Madura.	Madura													

THE MILLOWNERS' ASSOCIATION, BOMBAY

MILL STATEMENT FOR 31st AUGUST 1932

PART III

MILLS OUTSIDE THE BOMBAY PRESIDENCY

DISTRICT & MILL.	CAPITAL: Registered or Shares	Nominal value of each Share.	Total amount of Capital paid up.	NUMBER OF SPINDLES: Mule.	Ring.	Total.	Average Number of Spindles at work daily.	Number of Looms.	Average Number of Looms at work daily.	Number (only quantity of Cotton consumed during the month) actually worked.	Average Number of Hands employed daily.	Total Number of days worked (or Sept. 1931 to Aug. 1932 and Aug. 1931 to July 1932).	Remarks.	NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	SITUATION OF MILL.	CAPITAL: Number of Shares.	Nominal value of each Share.	Total amount of Capital paid up.	NUMBER OF SPINDLES: Mule.	Ring.	Total.	Average Number of Spindles at work daily.	Number of Looms.	Average Number of Looms at work daily.	Average daily quantity of Cotton consumed during the month actually worked.	Average Number of Hands employed daily.	Total Number of days worked (or Sept. 1931 to Aug. 1932 and Aug. 1931 to July 1932).	Remarks.
		Rs.	Rs.											**UNITED PROVINCES OF AGRA AND OUDH.**				Rs.	Rs.								
	1,250	500	6,50,000	9,000	11,040	20,040	19,272	378	370	2,107	900	307		1. Agra Spinning and Weaving Mills Co., Ltd. (In Liquidation.)	Messrs. Dhingoomal Seekar and Hemraj Kapur, Official Liquidators, 151, Hall Road, Allahabad.	15, Lake Road	4,000	100	4,00,000	19,040		19,040	19,272	378	370	2,107	900	307	
British Baroda	4,500	100	5,00,000	3,276	16,224	19,500	19,272	378	370	2,107	900	307		2. [Silverton Mills	Messrs. Ardeshir Hoshi & Co., Ltd., Cotton Fort Box No. 25, Cawnpore.	Cawnpore	15,000	100	15,00,000	23,400	2,600	26,000	25,000	780	780	2,700	1,100	307	
	15,000	100	15,00,000		15,000	15,000	14,959	340	340	1,805	700	306		3. Kanoria Cotton and Silk Mills, Ltd.	Messrs. Shiv Prasad Khanna Prasad, Big Weaving Office, 22, Bird premises.	Cawnpore, Phoenix Compound.	1,65,000 (Pref.) 15,000	100	16,50,000	8,500	16,000	24,500	19,000	575	567	1,100	1,000	307	
Hyderabad	30,000	10	3,00,000	10,260	8,508	18,768	17,060			1,000	452																	
Hyd., Agent	10,000	25	2,50,000					24				1,177								14,760	14,760	11,223			2,000	502	311	For Capitalwise Statement.
Total			31,15,313	13,536	51,772	73,308	71,303	1,496	1,478	15,784	3,052									28,640	19,000	47,640	44,223	1,180	1,151	7,100	2,502	
																				28,640	19,000	47,640	44,223	1,180	1,151	7,100	2,502	
	2,500	100	2,50,000		19,968	19,968	19,661	400	400	2,177	1,112	310		4. Cawnpore Textiles, Ltd.	[Messrs. Begg Sutherland & Co., Ltd., 83, Apollo Street, Bombay.	Cawnpore	2,12,500 (Pref.) 12,500	100	2,25,000	13,000	12,000	25,000	19,000	575	567	1,100	1,000	307	
				5,068	12,408	17,476	16,954	476	475	4,882	1,254	307		5. Elgin Mills Co., Ltd.	[Messrs. Begg Sutherland & Co., Ltd., 83, Apollo Street, Bombay.	Cawnpore	2,50,000	100	2,50,000	30,048	15,144	45,192	41,048	1,131	1,111	2,600	1,500	310	
	1,250	500	7,50,000		14,592	14,592	14,448	396	396	3,314	812	310		6. [ohn's Yarn & Wvg. Mills, (formerly John's Cawnpore Spinning Mill).															
	10,752	100	10,75,200		10,084	10,084	10,084	232	232	2,312	134	305		7. Do. (formerly John's Pioneer or Wales Spinning Mill).															
														8. Do. (formerly John's Spinning Mill).	Messrs. John Hamilton, Proprietors, 40, Cantonment, Agra.	Cawnpore and Jwalapur Mandi, Agra.	1,07,800		1,07,800	60,720		60,720	11,643	1,156	810	
Total			20,74,200	5,068	56,152	61,220	59,147	1,504	1,503	12,685	3,312																	
																				1,07,800		1,07,800	60,720		60,720	11,643	1,156	810
[Ord.	30,000	10	3,00,000		31,104	31,104	31,104	704	704	7,284	1,021	308																
Pref.	3,000	100	3,00,000	672	15,696	16,368	15,792	457	456	3,650	1,190	307		9. Jaquar Kanodoria Cotton Spinning and Wvg. Mills Co., Ltd.	Lala Lalchand Kanodoria, Cotton Broker, Cawnpore.	Cawnpore, Lala Lalchand Estate.	3,00,000	100	3,00,000	31,104	15,696	46,800	42,792	1,161	1,160	10,934	2,211	307	* The percentage is divided between the several figures.
														10. * Lala Kanodoria Cotton Spinning Mill Co. Ltd.	Lala Kanodoria Ltd Sahib Dhanpat, Office Cloth Merchant, Cawnpore.	Cawnpore, Lala Kanodoria Estate.	3,00,000	100	3,00,000	31,104	15,696	46,800	42,792	1,161	1,160	10,934	2,211	307	
[Ord.	46,875	100	46,87,500		1,00,000	1,00,096	99,000	2,000	1,992	19,265	6,896	313		11. Moorabad Spinning and Weaving Mills Co., Ltd.	Mr. H. D. Harrison, Secretary, Office 26, Bird premises.	Moorabad	754	500	4,00,000	10,000		10,000	8,000	265	265	1,600	1,000	313	
Pref.	10,937	100	10,93,700		24,908	24,908	24,908	600	600	5,000	1,600	313		12. Mirs Mills Co., Ltd.	Sir Victor Sassoon, Bt., Managing Director, Bombay.	Cawnpore	[Ord. 30,000 Pref. 30,000	100	30,00,000	43,128	40,128	83,264	2,336	1,448	19,675	4,660	274	
Wagner, C.P.	10,337	150	15,50,550		34,908	34,908	32,868	1,000	1,000	10,400	3,060	310		13. * [Muir Mills Co., Ltd.	Messrs. Marshall & Co., Cotton Merchants, 140 Grant Chambers, Bombay.	Cawnpore	[Ord. 30,000 Pref. 30,000	100	30,00,000	43,128	40,128	83,264	2,336	1,448	19,675	4,660	274	
Ord.	1,000	400	4,00,000		10,512	10,512	10,512	240	240	2,400	1,134	310		14. New Kanodoria Cotton Mill Co. (formerly Associated Cawnpore Cotton Spinning Mills).	Messrs. Harchandrdas, Purshottamdas & Thapardas, Cotton Merchants, Mukund Lal's Buildings.	Cawnpore, Adgarh Lane.	10,000	100	10,00,000	9,600	6,800	16,800	10,000	300	300	4,000	750	310	
New	1,000	100	10,00,000		24,512	24,512	23,512	640	624	6,000	1,134	310																
Tot. Woollen.			33,60,000		35,420	35,420	34,024	880	864	8,400	2,268	310		15. New Victoria Mills Co., Ltd.	C. I. Allen, Esq., C.I.E., & Mrs. J. P. Srivastava, M.L.C., Joint Managing Directors, Post Box No. 40 of Cawnpore.	Cawnpore, Civil Station.	[Ord. 2,11,625 Pref. 2,37,500	4-8-0 8	4,49,125	16,640	17,344	33,984	30,064	1,016	1,008	13,152	4,111	275	
Do.					35,420	35,420	34,024	880	864	8,400	2,268	310		16. Pilot Spinning and Weaving Mills Co., Ltd.	Messrs. Sriyuman Brijlal Managing Agents, Pilot Buildings, Cawnpore.	Cawnpore, Civil Station.	[Ord. 2,11,625 Pref. 2,37,500	4-8-0 8	4,49,125	16,640	17,344	33,984	30,064	1,016	1,008	13,152	4,111	275	
Belgaum, C.P.	12,000	50	6,00,000		32,112	32,112	19,980	450	404	1,240	640	180		17. * Saraswati Cottonseed Cotton Mills Co., Ltd.	S. B. Khanna, Esq., Managing Director, Lucknow.	Talkatora, Lucknow	[Ord. 50,000 Pref. 50,000 Loan 50,000	100	1,50,000		13,888	13,888	12,000	340	340	2,160	640	310	
														18. * [Shri Sukhdeo Mahajanpatan (Gujar), Office on Mill premises.	Rai Sahib Babu Mahajanpatan (Gujar), Office on Mill premises.	Kim Ghat, Nowgaon													
Total			2,37,60,175	674	3,17,556	3,91,230	3,71,73	8,651	8,256	78,108	18,604			19. Swadeshi Cotton Mills Co., Ltd.	H. Harrison, Esq., Managing Director, Post Box No. 26, Cawnpore.	Kalpi, Cawnpore	25,000	100	25,00,000	1,680	42,560	44,240	40,000	839	823	11,923	4,444	310	
																Total			9,66,425	3,25,816	3,27,704	6,53,520	6,21,616	8,213	8,063	1,51,660	36,637	
Nizam	4,000	1,000	2,42,000	2,240	1,072	13,312	12,912	418	416	1,613	872	279																
Hyderabad	2,000	400	13,98,800		25,776	25,776	25,392	768	768	1,800	1,000	310																
[Nizam]	300	1,000	3,00,000		17,160	17,160	8,112	272		1,100	388	156																
																				3,25,816	3,27,704	6,53,520	6,21,616	8,213	8,063	1,51,660	36,637	
	1,150	500	5,03,700		18,414	19,414	17,466	484	477	4,077	1,474	272																
Gwalior, Indore	30,000	100	31,30,000		24,708	24,708	24,384	616	616	1,732	1,696	272																
Total			5,84,700	2,240	61,410	63,650	59,354	1,860	1,857	7,909	4,558																	
	10,000	100	10,00,000		23,400	23,400	23,400	650	650	3,250	1,600	310																
					17,160	17,160	16,224	572	572	2,860	1,200	310																
					17,160	17,160	16,224	572	572	2,860	1,200	310																

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PROGRESS OF COTTON MILLS IN AHMEDABAD SINCE 1861.

THE MILLOWNERS' ASSOCIATION, BOMBAY

MILL STATEMENT FOR 31st AUGUST 1932

PART II.

MILLS IN AHMEDABAD.

OTHER MILLS IN BOMBAY P

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	SITUATION OF MILL.	CAPITAL. Number of Shares	CAPITAL. Nominal value of each Share.	CAPITAL. Total Amount of Capital paid up.	NUMBER OF SPINDLES. Main.	NUMBER OF SPINDLES. Doubling.	NUMBER OF SPINDLES. Total.	Average number of Spindles at work daily.	Number of Looms.	Average Number of Looms at work daily.	Approximate quantity of Cotton consumed during the year in standard 784 lbs.	Average Number of Hands employed.	Total Number of days worked from 1st Sept. 1931 to 31st Aug. 1932.	Remarks.
MILLS IN AHMEDABAD.				Rs.	Rs.										
1. Ahmedabad Advance Mills, Ltd.	Messrs. Tata Sons, Ltd., Agents, Bombay House, 24, Bruce Street, Fort, Bombay.	Shahi-Bag Road, outside Delhi Gate, Ahmedabad.	10,000	100	10,00,000		31,296	31,296	29,253	700	700	5,263	1,960	307	
2.† Ahmedabad Ankola Manufacturing Co., Ltd.	Messrs. Desai Gordhanbhai Jamnadas & Co., Agents, Office on Mill premises.	Outside Ankola Gate, Ahmedabad.	7,000	100	7,00,000		16,464	16,464	16,464	296	296	2,500	720	302	
3. Ahmedabad Cotton and Waste Mfg. Co., Ltd.	Messrs. Dhirajlal Chunilal & Bros., Sons, Trees & Agts., Rajdevpura, Post Box 4, Ahmedabad.	Dudheshwar Road, Ahmedabad.	{ A 4,150 / B 725 / C 50	10-0 / 113 / 113	41,500 / 81,950 / 5,650		20,700	20,700	20,072	304	300	2,663	772	298	Wkg. 293.
4. Ahmedabad Cotton Manufacturing Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agents, Office on Mill premises.	Outside Saraspur Gate, Ahmedabad.	500	1,000	5,00,000		18,276	18,276	18,203	668	624	3,780	1,206	300	
5. Ahmedabad Fine Spinning and Weaving Co., Ltd.	Messrs. Madhavlal Ranchhodlal & Co., Agents, Office on Mill premises.	Gomtipur Road, Ahmedabad.	500	100	50,000					240	237		213	296	
6. Ahmedabad Ginning and Manufacturing Co., Ltd.	Messrs. Madhavlal Ranchhodlal & Co., Agents, Office on Mill premises.	Railway Suburb, Ahmedabad.	10,500	100	10,50,000		33,402	33,402	24,097	1,008	1,002	7,047	2,880	300	
7. Ahmedabad Industrial Mills Co., Ltd.	Messrs. Kalidas Lallubhai Mehta & Co., Agents, Office on Mill premises.	Gomtipur Road, Ahmedabad.	564	1,000	5,64,000		21,600	21,600	21,000	500	500	3,579	893	302	
8. Ahmedabad Jubilee Spinning and Manufacturing Co., Ltd.	Messrs. Chunnilal Nagindas & Co., Trees-asurers and Agents, Office on Mill premises.	Outside Dariapur Gate, P. O. Ry. Pass, Ahmedabad.	10,000	100	10,00,000	2,112	30,624	32,736	30,693	700	700	5,268	1,968	302	
9. Ahmedabad Jupiter Spg., Wvg. and Mfg. Co., Ltd.	Messrs. Fulchand Govindlal & Co., Ltd., Agents, Office on Mill premises.	Dudheshwar Road, Ahmedabad.	{ Ord. 6,500 / { Pref. 1,000	113 / 100	9,00,450 / 1,00,000		19,968	19,968	13,200	372	300	1,692	972	294	
10. †Ahmedabad Kaiser-i-Hind Mills Co., Ltd., (formerly Ahmedabad Merchant's Spinning Mills Co., Ltd.)	Messrs. Ranchhodlal Kantilal & Co., Agents, Office on Mill premises.	Outside Raipur Gate, Ahmedabad.	500	1,000	5,00,000		23,400	23,400		500					Not working since 1927.
11. Ahmedabad Laxmi Cotton Mills Co., Ltd.	Messrs. Jayantilal Amratlal & Co., Agents, Office on Mill premises.	Outside Raipur Gate, Ahmedabad.	500	1,000	5,00,000		24,000	24,000	23,726			4,370	900	302	
12. Ahmedabad Manufacturing and Calico Printing Co., Limited (A. & P.)	Messrs. Kasturbhai Lalbhai & Co., Agents, Office on Mill premises.	Outside Jamalpur Gate, Ahmedabad.	16,000	125	20,00,000		75,780	75,780	73,326	1,900	1,400	13,200	4,008	299	
13. Ahmedabad New Cotton Mills Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, outside Raipur Gate, Ahmedabad.	500	1,000	5,00,000		19,008	19,008	19,432	516	504	4,050	1,350	300	
14. Ahmedabad New Standard Mills Co., Ltd. (formerly Ahmedabad New Edward Mills Co., Ltd.)	Messrs. Kasturbhai Lalbhai & Co., Ltd., Agents, Office on Mill premises.	Near Saraspur Gate, P. O. Pass Post, Ahmedabad.	10,000	100	10,00,000		19,992	19,992	19,111	441	437	2,374	589	302	
15. Ahmedabad New Textile Mills Co., Ltd., Nos. 1 & 2 (formerly Jayant Spg. & Wvg. Co., Ltd.)	Messrs. Kasturbhai Lalbhai & Co., Agents, Office on Mill premises.	Outside Raipur Gate, Ahmedabad.	{ No. 1 2,000 / { No. 2 1,000	100 / 100	2,00,000 / 1,00,000		21,168	21,168	13,734	504	408	3,564	1,137	300	
16. Ahmedabad Saraspur Mills Co., Ltd.	Messrs. Chinubhai Madhavlal & Bros., Agents, Office on Mill premises.	Saraspur, Ahmedabad.	10,000	100	10,00,000		23,832	23,832	23,016	640	628	3,413	1,303	302	
17. Ahmedabad Spinning and Weaving Co., Ltd.	Messrs. Ranchhodlal Chhotalal & Co., Agents, Office on Mill premises.	Gomtipur Road, Ahmedabad.	1,500	250	3,75,000		9,040	9,040	8,358	200	200	1,055	422	302	
18. Ahmedabad Swadeshi Mills Co., Ltd.	Messrs. Chimanlal Maneklal & Co., Secretaries, Treasurers and Agents, Railway-pass Post, Ahmedabad.	Saraspur, Ahmedabad.	10,000	100	10,00,000		23,832	23,832	23,016	640	628	3,413	1,303	302	
19. Ahmedabad Spinning and Weaving Co., Ltd.	Messrs. Ranchhodlal Chhotalal & Co., Agents, Office on Mill premises.	Gomtipur Road, Ahmedabad.	2,000	250	5,00,000		14,600	14,600	14,600	400					Started working on 1st September 1932.
20. Ajit Mills, Ltd.	Messrs. Jayantilal Amratlal, Ltd., Agents, Office on Mill premises.	Rakhial, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400					
21. Ananta Mills, Ltd.	Messrs. Jayantilal Amratlal, Ltd., Agents, Office on Mill premises.	Rakhial, Ahmedabad.	3,000	100	3,00,000		19,200	19,200	13,730			4,079	923	302	
22. Arvind Mills, Ltd.	Messrs. Narottam Lalbhai & Co., Agents, Post Box No. 30, Ahmedabad.	Naroda Road, Ahmedabad.	5,000	100	5,00,000		29,868	29,868	29,868	1,050	1,050	8,000	2,500	300	Wkg. 296.
23. Arvind Mills, Ltd.	Messrs. Narottam Lalbhai & Co., Agents, Post Box No. 30, Ahmedabad.	Naroda Road, Ahmedabad.	15,750	100	15,75,000		50,000	50,000	10,894	250	98	173	136	98	Mill started work on 5th July 1932.
24. Arvindra Ginning and Mfg. Co., Ltd. (formerly Ahmedabad Vyapar Ganjpack Spinning and Mfg. Company, Limited.)	Messrs. Kasturbhai Lalbhai & Co., Agents, Office on Mill premises.	Asarva Road, Ahmedabad.	2,000	100	2,00,000		44,604	604	43,734	780	776	4,807	1,139	304	
25. Arvindra Spinning and Weaving Co., Ltd. Nos. 1 & 2 do. do. do. No. 1	Messrs. Kasturbhai Lalbhai & Co., Agents, Post Box 30, Ahmedabad.	Asarva Road, Ahmedabad.	{ A 6,000 / { B 5,000	100 / 100	6,00,000 / 5,00,000		51,552	51,552	32,492	1,158	1,100	5,481	1,986	304	
26. Asarva Mills (formerly Shivachhak Cotton Mills Co., Ltd.)	Messrs. Kasturbhai Lalbhai & Co., Agents, Office on Mill premises.	Asarva Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	13,431	400	400	2,500	1,000	300	
27. Asoka Mills, Ltd.	Messrs. Jayantilal Amratlal, Ltd., Agents, Office on Mill premises.	Rakhial, Ahmedabad.	10,000	100	10,00,150		14,112	29,872	29,163			4,004	1,112	302	Wkg. 299
28. Ashoka Mills, Ltd.	Messrs. Durgaprasad L. Lakaraj & Co., Agents, Office on Mill premises.	Rakhial, Ahmedabad.	2,000	250	4,00,431		8,256	18,432	15,826	424	424	1,800	1,000	302	
29. Ashokra Mills Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agent Post Box No. 10, Ahmedabad.	Kankaria Road, Ahmedabad.	3,450	100	3,45,000		14,352	14,352	14,407	338	338	2,079	732	304	Wkg. 299
30. Shantidood Cotton Mills Co., Ltd.	Messrs. Ranchhodlal Jorbhaidahda & Co., Secretaries and Agents, Office on Mill premises.	Kamela Road, Railway-pass Post, Ahmedabad.	3,750	133	4,03,294		14,772	14,772	14,064	372	364	2,694	1,000	302	
31. Shantidood Textile Mfg. Co., Ltd. Nos. 1 do. do. No. 2	Messrs. Ranchhodlal Girdharlal & Co., Secretaries, Treasurers and Agents, Office on Mill premises.	Camp Road, Ahmedabad.	{ Ord. 500 / { Pref. 1,000	1,000 / 100	4,72,000 / 1,00,000		20,412	20,412	20,412	508	500	1,874	520	302	
32. Shree Laxmi Cotton Mills Co., Ltd.	Messrs. Shankerlal Girdharlal & Co., Secretaries, Treasurers & Agents, Office on Mill premises.	Beyond Kankaria Railway Siding, Ahmedabad.	8,500	100	8,50,000		18,492	18,492	18,492			8,555	573	295	
33. Chandrakant Mills, Ltd., (formerly Ahmedabad Cotton Cotton Mills, Ltd.)	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Near Saraspur Lake, Ahmedabad.	10,000	100	10,00,000		25,200	25,200	25,200	632	632	4,500	1,500	300	
34. City of Ahmedabad Spinning and Manufacturing Co. Limited.	Messrs. Chandulal Bhogilalbhai & Sons, Secretaries and Agents, Post Box No. 40, Ahmedabad.	Kankaria Road, Ahmedabad.	{ A 4,000 / { B 2,400	100 / 100	4,00,000 / 2,40,000		24,480	24,480	24,192	560	560	4,032	1,344	300	
35. Commercial Ahmedabad Mills Co., Ltd.	Messrs. Dhanjibhai and Trikamlal & Co., Ltd., Secretaries, Treasurers and Agents, Office on Mill premises.	Dudheshwar Road, Ahmedabad.	{ Ord. 5,000 / { Pref. 1,000	100 / 100	5,00,000 / 1,00,000		27,324	27,324	27,324	700	700	5,211	1,737	300	
36. Coronation Manufacturing Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
37. Dalmeharbhai Manufacturing Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	{ Ord. 1,000 / { Pref. 1,000	100 / 100	1,00,000 / 1,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
38. Dalmia Cotton Mills Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
39. Dalmia Spinning and Weaving Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
40. Dalmia Textile Mills Co., Ltd.	Messrs. Ambalal Dalmeharbhai & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
41. Dhanlaxmi Cotton Mills, Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
42. Dhanlaxmi Spinning and Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
43. Dhanlaxmi Textile Mills, Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
44. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
45. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
46. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
47. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
48. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
49. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
50. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
51. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
52. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
53. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
54. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
55. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
56. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
57. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
58. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
59. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
60. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
61. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
62. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
63. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
64. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
65. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
66. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
67. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
68. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
69. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
70. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
71. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
72. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
73. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
74. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
75. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
76. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
77. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
78. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
79. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
80. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
81. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
82. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
83. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
84. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
85. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
86. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
87. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
88. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
89. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
90. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
91. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
92. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
93. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
94. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
95. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
96. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
97. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
98. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
99. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	
100. Dhanlaxmi Weaving Co., Ltd.	Messrs. Ranchhodlal Girdharlal & Co., Agents, Office on Mill premises.	Kankaria Road, Ahmedabad.	2,000	100	2,00,000		14,600	14,600	14,600	400	400	2,500	1,000	300	

NAMES OF MILLS.	NAMES OF AGENTS OR OWNERS AND OFFICE ADDRESSES.	SITUATION OF MILL.	CAPITAL. Number of Shares.	CAPITAL. Nominal Value of each Share.	CAPITAL. Total Amount of Capital paid up.	Remarks.
				Rs.	Rs.	
OTHER MILLS IN BOMBAY PRESIDENCY.						
1. † Bombay Spinning and Weaving Co., Ltd., (Block 1 and 2).	Messrs. Lowjeebhand Lowjeechand & Co., Secretaries, Treasurers & Agents, Office on Mill premises.	Dhed Gate, near Bhadar, Surathi.	5,308	100	5,30,800	
2. Barsi Spinning and Weaving Mills, Ltd.	Messrs. Desai Sons & Co., Secretaries, Treasurers and Agents 179, Hutheesing Lohakhot Shah, Bazargate Street, Fort Bombay.	Barsi Town (District Sholapur).	3,000	150	4,50,000	
3. Bhagirath S. W. & Manufacturing Co., Ltd.	Messrs. Gordhandas Jamnadas & Co., Agents, Jalgaon.	Jalga

THE MILLOWNERS' ASSOCIATION, BOMBAY

MILL STATEMENT FOR 31st AUGUST 1932

PART II.

MILLS IN AHMEDABAD.

OTHER MILLS IN BOMBAY PRESIDENCY.

NATION OF MILL.	CAPITAL. Number of Shares.	Nominal value of each Share.	Total amount of Capital paid up	NUMBER OF SPINDLES. Main.	Ring.	Total.	Average Number of Spindles at work daily.	Number of Looms.	Approximate Quantity of Cotton consumed during the year in candies of 784 lbs.	Average Number of Hands employed.	Total Number of days Mills worked from 1st Sept. 1931 to 31st Aug. 1932	Remarks.
		Rs.	Rs.									
Ewall, Ambedkar.	10,000	100	10,00,000		51,168	51,168	50,703	952	700	2,163	2,000	302
Works Com-	6,000	100	3,75,000		21,384	21,384	20,508	508	328	1,000		300
Road, Ahmed	{ A 4,450 { B 745 { 5,200	10-8 125	51,625 93,125 1,44,750		40,780	40,780	36,276	864	550	1,660	772	299 out of 302
anpur Gate, d.	3,000	100	3,00,000		16,572	16,572	16,203	668	254	1,000		300
ad, Ahmeda-	500	500	1,80,000				622	156		215	298	
ath, Ahmeda-	10,000	100	10,50,000		59,952	59,952	59,003	1,008	1,005	2,242	1,800	300
ath, Ahmeda-	4,000	1,000	4,84,000		24,300	24,300	22,992	1,020	850	975		300
ipur Gate, P. Ahmedabad.	10,000	100	10,00,000	2,160	32,064	34,224	30,603	720	700	2,308	1,668	300
ad Road,	Old 6,000 New 1,800	125	9,00,480		19,968	19,968	13,160	352	320	1,042	670	299
anpur Gate,	3,000	100	3,00,000		23,300	23,300		396		1,000		Not working since 1923.
anpur Gate,	3,000	100	3,00,000		24,000	24,000	23,216			8,000	900	302
anpur Gate,	10,000	125	10,00,000		77,760	77,760	72,928	1,900	1,400	2,550	2,052	299
ad, Ahmeda-	500	1,000	5,00,000		19,008	19,008	19,272	720	365	1,050	1,000	300
na Gate, P. Ahmedabad.	1,000	500	5,00,000		12,240	12,240	10,512	432	256	1,224	765	302
anpur Gate,	3,000	100	3,00,000		15,168	15,168	13,824	384	288	1,000		300
ad,	3,000	100	3,00,000		14,700	14,700	13,608	378	294	1,000		300
do.	375	1,000	3,75,000		18,600	18,600	14,724	376	376	1,014	1,111	302
ad, Ahmeda-	1,500	150	2,25,000		9,040	9,040	8,736	276	252	1,050	450	300
Ahmedabad.	10,000	100	10,00,000		53,892	53,892	52,008	840	840	2,400	1,800	300
d, Ahmeda-	3,000	100	3,00,000		14,600	14,600	13,872	400		1,000		300
medabad.	3,000	100	3,00,000		19,200	19,200	17,824			6,000	625	302
d, Ahmeda-	3,000	100	3,00,000		19,488	19,488	18,312	756	504	1,650	1,000	300
do.	15,750	150	23,62,500		17,000	32,000	15,120	336	336	1,000		300
d, Ahmeda-	3,000	100	3,00,000		14,600	14,600	13,872	400		1,000		300
d, Ahmeda-	{ A 2,000 { B 1,000	100	3,00,000		23,136	23,136	20,460	1,048	1,080	2,600	1,963	304
d, Ahmedabad.	10,000	100	10,00,000		50,004	50,004	49,104	936	936	2,400	1,800	300
Ahmedabad.	3,000	100	3,00,000									
d, Ahmeda-	10,000	100	10,00,000		59,904	59,904	59,003	1,008	1,008	2,242	1,800	300
d, Ahmeda-	4,000	100	4,00,427		23,736	23,736	21,708	468	468	1,600	1,111	299
Road, Ahmeda-	1,450	100	1,45,000		13,500	13,500	13,447	456	456	1,000	750	300
ad, Railway d, Ahmedabad.	2,000	100	2,00,000		13,272	13,272	12,564	372	372	1,044	900	302
	{ Cash 500 { Paid 1,000	1,000	4,50,000		26,400	26,400	25,344	660	660	1,500	1,000	300
	{ Cash 1,000 { Paid 1,000	150	2,25,000		9,600	14,000	13,977	420	252	1,582	750	302
ambedkar Railway Ahmedabad.	6,600	100	6,98,100		18,402	18,402	18,402			2,222	1,111	302
ad.	4,000	100	3,96,000		22,000	22,000	19,164	440	440	1,360	1,136	300
ad Road, Ahmeda-	{ A 4,000 { B 1,150	100	3,65,000		21,360	21,360	20,412	480	480	1,500	1,000	300
	1,000	100	1,00,000		10,000	10,000	9,912	264	264	1,000

29.	Shivkrishn Spinning and Weaving Mills Co., Ltd.	Shivaji Chowk, Ahmedabad	Kankaria Road, Ahmedabad		1,008	720	4,00,837		7,132	18,632	12,856	434	252	1,040	211	1,040			
30.	Shivkrishn Mills Co., Ltd.	Shivaji Chowk, Ahmedabad. Mr. Amrit Lal Bhagubhai Amin, Director, Ahmedabad	Kankaria Road, Ahmedabad		1,440	720	5,45,000		14,216	14,216	14,452	438	434	1,020	752	1,020	Wtg. tfm		
31.	Shreejkrishna Cotton Mills Co., Ltd.	Messrs. Chinubhai & Co., Managing Agents, Office on Mill premises	Kalupur Road, Railway-gate Post, Ahmedabad		1,600	1,152	4,03,200		13,172	13,172	10,084	360	360	1,024	907	1,024			
32.	Shantidhwaj Textile Mfg. Co., Ltd. No. 1	Messrs. Jeevanlal Gordhanlal & Co., Secretaries, Treasurers and Agents, Post Box No. 40, Ahmedabad	Camp Road, Ahmedabad.	Cloth Yarn	1,000	1,000	4,75,000		20,000	20,000	20,454	508	508	1,000	900	1,000			
33.	Do. do. do. No. 2			Plant	1,000	500	2,25,000		19,000	19,000	14,925	504	504	1,064	756	1,064			
34.	Shree Laxmi Cotton Mills Co., Ltd.	Messrs. Ranchhodlal Amrithlal & Co., Secretaries, Treasurers & Agents, Office on Mill premises	Sayaji Gunj, Baroda		1,500	1,200	8,56,000		18,400	18,400				1,020	1,020	1,020			
35.	Chandrakant Mills, Ltd., (formerly Ahmedabad Textile Cotton Mills, Ltd.)	Messrs. Ranchhodlal Gordhanlal & Co., Agents, Office on Mill premises	Near Gaekwar Lake, Ahmedabad		1,000	700	2,50,000		10,000	10,000	12,725	432	432	1,060	756	1,060			
36.	City of Ahmedabad Spinning and Manufacturing Co., Limited.	Messrs. Chandulal Mangaldas & Sons, Secretaries, Treasurers and Agents, Post Box No. 40, Ahmedabad	Kankaria Road, Ahmedabad	Ring Tfo	1,440 1,152	1,152	5,64,480		14,480	14,480	14,161	501	477	1,020	442	1,020			
37.	Commercial Ahmedabad Mills Co., Ltd.	Messrs. Premchand and Tribovandas & Co., Ltd., Secretaries, Treasurers and Agents, Office on Mill premises	Outside Premchand Pol, Ahmedabad.		1,000	1,000	5,00,000		17,000	17,000	15,000	500	500	1,020	893	1,020			
38.	Girdharpur Harivallabhdas Mill's, Ltd. (formerly Rajnagar Mill No. 4).	Messrs. Girdharpur & Co., Agents, Office on Mill premises	Gyaspur, Ahmedabad		1,600	1,152	5,00,000		20,724	19,724	19,012			1,020	961	1,020			
39.	Gordhan Spinning and Manufacturing Co., Ltd.	Messrs. Gordhanbhai & Co., Agents, Office on Mill premises	Naroda Road, Ahmedabad	Ring Tfo	1,464 1,152	1,464 1,152	6,59,000 3,67,200		17,000	17,000	18,400	552	552	1,020	705	1,020			
40.	Gujarat Cotton Mills Co., Ltd.	Messrs. Ranchhodlal Mangaldas & Co., Agents, Post Box No. 40, Ahmedabad	Naroda Road, Ahmedabad		1,000	1,000	10,00,000		24,000	24,000	20,370	720	720	1,020	1,020	1,020			
41.	Gujarat Ginning and Manufacturing Co., Ltd.	Messrs. Ambalal Sarabhai Enterprise, Agents, Post Box No. 40, Ahmedabad	Saraspur Gate Road, Ahmedabad	Ring T.F.	504 1,000	1,000	4,00,000		14,400	14,400	14,400	1,032	1,032	1,020	1,020	1,020			
42.	Gujarat Spinning and Weaving Co., Ltd.	Messrs. Gordhanbhai Harilal & Co., Agents, Office on Mill premises	Outside Saraspur Gate, Ahmedabad		576	1,000	4,00,000		15,000	15,000	14,400	518	518	1,020	1,020	1,020			
43.	Harivallabhdas Mahabirji Mills Co., Ltd.	Messrs. Mahabirji Nanavatibhai & Co., Agents, Office on Mill premises	Outside Saraspur Gate, Ahmedabad		640	256	1,01,376		16,448	16,448	16,448	576	576	1,020	1,020	1,020			
44.	Harkisan Manufacturing Co., Ltd.	Messrs. Dhirajlal Shivabhai & Sons, Agents, Bankspinners Post, Ahmedabad	Near Saraspur Gate, Ahmedabad		1,248	624	1,70,000		6,000	6,000	5,000	180	180	1,020	357	1,020			
45.	Hathi Spg. & Wtg. Co., Ltd.	Messrs. Gordhanbhai & Sons, Managing Agents, Post Box No. 40, Ahmedabad	Near Jagannath Mahadev, Outside Delhi Gate, Ahmedabad		1,000	700	3,01,350		15,000	15,000	384						Mill not working.		
46.	Jubergir Vakil Mills Co., Ltd.	Messrs. Kalidas Mulchand Mehta & Sons, Ltd., Agents, Kalidaspura Post, Ahmedabad	Outside Delhi Gate, Ahmedabad		1,280	1,280	5,00,000		28,208	28,208	26,128	908	688	1,085	1,020	903			
47.	Kaiyan Mills, Ltd.	Messrs. Chandulal Mangaldas & Sons, Agents, Post Box No. 40, Ahmedabad	Kankaria Road, Ahmedabad		1,000	700	4,80,000		15,840	15,840	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mill started work on 1st Sept. under 1930.		
48 ¶	Lakhdas Tansukhdas Mills, Ltd.	Messrs. Chandulal Lallubhai and Bros., Ltd., Agents, Office on Mill premises	Kankaria Road, Ahmedabad		1,600	1,120	2,00,000		12,640	13,456	11,800	374	343	1,079	800	1,079			
49.	Lakshmi Jewel and Ahmedabad Mfg. Co., Ltd., Wvg. Dept.	Messrs. Harilal Thirumal, Agent, Office on Mill premises	Rakhiyapatti Post, Ahmedabad		1,000	1,000	3,25,000		24,352	24,352	23,791	840	840	1,020	1,020	1,020			
50.	Mahendra Harilal Spinning and Mfg. Co., Ltd.	Messrs. Harilal Harivallabhdas & Co., Agents, Office on Mill premises	Saraspur, Ahmedabad		960	1,000	4,30,000		26,912	26,912	25,920	864	864	1,020	1,020	1,020			
51.	¶ Mawdes Spinning and Manufacturing Co., Ltd.	Messrs. Mawdes Brothers & Co., Agents, Office on Mill premises	Gaekwar, Ahmedabad		12,772	640	12,72,500		22,000	21,000	21,000	672	672	1,064	952	1,064			
52.	Monogram Mills Co., Ltd.	Messrs. Mafatlal Harilalbhai & Co., Agents, Office on Mill premises	Rakhial, Ahmedabad		13,000	640	13,00,000		31,000	31,000	30,800	998	998	1,040	1,040	1,040			
53.	Mofatlal Harilalbhai Spinning, Weaving & Mfg. Co., Ltd.	Messrs. Mafatlal Harilalbhai & Sons, Agents, Kalupur Station Road, Ahmedabad	Kalupur, Ahmedabad		1,000	1,000	4,00,000		30,000	30,000	30,000	1,000	1,000	1,020	1,020	1,020			
54.	Nagri Mills, Co., Ltd.	Messrs. Vijaylal Chimanlal & Co., Agents, Office on Mill premises	Jamalpur Gate Road, Ahmedabad		1,000	1,000	5,25,000		13,600	13,600	13,078	436	436	1,020	1,020	1,020			
55.	National Mills Co., Ltd.	Messrs. Chimanlal and Gordhanbhai & Co., Ltd., Agents, Office on Mill premises	Gomtipur Road, Ahmedabad		640	1,000	4,40,000		24,000	24,000	23,040	768	768	1,020	1,020	1,020			
56.	New Commercial Mills, Co., Ltd.	Messrs. Chandulal Mangaldas & Sons, Agents, Post Box No. 40, Ahmedabad	Kankaria Road, Ahmedabad		1,008	1,008	5,52,000		15,264	15,264	14,688	489	489	1,020	1,020	1,020			
57.	New Manekchowk Spinning and Weaving Co., Ltd.	Messrs. Chandulal Lallubhai and Bros., Ltd., Agents, Office on Mill premises	Outside Dariapur Gate, Railway-gate Post, Ahmedabad		1,000	1,000	5,25,000		24,000	24,000	23,040	768	768	1,020	1,020	1,020			
58.	New Rajpur Mills Co., Ltd., (formerly Rajpur Mill Ltd.)	Messrs. Mafatlal Harilalbhai & Co., Agents, Office on Mill premises	Rajpur Road, Ahmedabad		14,000	700	5,84,625		19,872	19,872	19,200	640	640	1,020	1,020	1,020	Knitted work on 23rd January 1931.		
59.	New Sarabhai Mills (Amalgamated, Ltd., (formerly Sarabhai Manufacturing Co., Ltd.)	Messrs. Manubhai Sarabhai Mansion, Agents, Shahibaug Road, Ahmedabad	Gomtipur Road, Ahmedabad																
60.	¶ New Vakil Mills Co., Limited.	Messrs. Chimanlal Chunilal & Co., Agents, Office on Mill premises	Gomtipur Road, Ahmedabad		4,000	512	1,92,256		14,752	14,752	13,712	456	456	1,144	914	1,144			
61.	Ramkrishna Spinning and Mfg. Co., Ltd.	Messrs. Shivabhakhan Harjibhai & Co., Agents, Ballarpur Post, Ahmedabad	Outside Saraspur Gate, Ahmedabad	Ring T.F. Tfo	672 672 512	1,000	4,75,000 2,50,000 3,273		23,000	23,000	23,482	782	782	1,020	1,020	1,020			
62.	Rampur Manufacturing Co., Ltd.	Messrs. Lallubhai Dalpatbhai & Co., Agents, Office on Mill premises	Outside Saraspur Gate, Ahmedabad		2,000	800	10,00,000		30,000	30,000	33,000	1,100	1,100	1,020	1,020	1,020			
63.	Rajnagar Spinning, Wvg. & Mfg. Co., Ltd. No. 1,	Messrs. Mangaldas Girdharbhai Parekh, Secretary, Treasurer and Agent, Office on Mill premises	Ballarpur Post, Camp Road, Ahmedabad		2,000	1,152	8,00,000		30,464	30,464	30,053	998	998	1,020	980	1,020			
64.	Do. do. do. No. 2								30,464	30,464	28,416	947	947	1,020	1,020	1,020			
65.	Rankan Jubangir Vakil Mills Co., Ltd.	Messrs. Rankan Shaffat & Co., Secretaries, Treasurers and Agents, Office on Mill premises	Outside Delhi Gate, Ahmedabad		1,000	700	3,50,000		19,032	19,032	19,320	644	644	1,020	1,020	1,020			
66.	Saraspur Cotton Manufacturing Co., Ltd. No. 1	Messrs. Sakerlal Dalpatbhai & Sons, Agents, Office on Mill premises	Saraspur, Ahmedabad		1,000	1,000	4,84,000		23,000	23,000	23,000	767	767	1,020	1,020	1,020			
67.	Do. do. do. No. 2								23,000	23,000	23,000	767	767	1,020	1,020	1,020			
68.	Saraspur Cotton Manufacturing Co., Ltd. No. 1	Messrs. Lallubhai Dalpatbhai & Sons, Agents, Office on Mill premises	Saraspur, Ahmedabad		1,000	1,000	4,84,000		23,000	23,000	23,000	767	767	1,020	1,020	1,020			
69.	Do. do. do. No. 2								23,000	23,000	23,000	767	767	1,020	1,020	1,020			
70.	Saraspur Mills, Ltd., (formerly Saraspur Manufacturing Co., Ltd.)	Messrs. Lallubhai Dalpatbhai Sons & Co., Agents, Office on Mill premises	Wear Saraspur Gate, Ahmedabad		2,000	640	6,00,000		23,000	23,000	23,000	767	767	1,020	1,020	1,020			
71.	Shreenath Spinning and Manufacturing Co., Ltd.	Messrs. Chandulal Mangaldas & Sons, Agents, Office on Mill premises	Kankaria Road, Ahmedabad	Ring T.F.	768 Numbers not given	1,000	4,25,000 1,80,000		30,464	30,464	30,464	1,015	1,015	1,020	1,020	1,020			
72.	Shri Ambica Mills, Ltd.	Messrs. Kasturbhai Lalbhai & Bros., Agents, Office on Mill premises	Kalupur Road, Ahmedabad		1,500	600	3,30,000		17,000	17,000	15,300	510	510	1,020	1,020	1,020			
73.	Shri Laxmi Weaving and Manufacturing Co., Ltd.	Messrs. Manubhai & Co., Agents, Office on Mill premises	Outside Delhi Gate, Ahmedabad		1,000	1,000	4,00,000		15,000	15,000	15,000	500	500	1,020	1,020	1,020			
74.	Shrinagar Weaving and Manufacturing Co., Ltd.	Messrs. Chandulal Mangaldas & Sons, Agents, Post Box No. 40, Ahmedabad	Near New Railway Goods Shed, Ahmedabad		1,000	1,000	4,80,000		13,800	13,800	13,800	460	460	1,020	1,020	1,020			
75.	Shri Vishweshwar Mills, Ltd.	Messrs. Chandulal Mangaldas & Co., Agents, Office on Mill premises	Kankaria Road, Ahmedabad		1,000	1,000	5,08,243		15,000	15,000	15,000	500	500	1,020	1,020	1,020			
76.	Silver Cotton Mills Co., Ltd.	Messrs. Gopaldhai Bechardhai & Co., Secretaries, Treasurers and Agents, Office on Mill premises	Kankaria Road, Ahmedabad		1,040	650	3,80,000		19,440	19,440	19,200	640	640	1,020	1,020	1,020			
77.	Vijaya Mills Co., Ltd.	Messrs. Harilalbhai Ambalal & Co., Agents, Office on Mill premises	Naroda Road, Ahmedabad		1,000	700	3,00,000		13,248	13,248	13,200	440	440	1,020	1,020	1,020			
78.	Vikram Mills, Ltd.	Messrs. Raymond Lallubhai & Sons, Agents, Office on Mill premises	Outside Rakhial Gate, Ahmedabad		500	1,000	3,80,000		24,408	24,408	24,000	800	800	1,020	1,020	1,020			
							4,19,71,727	5,11,88	28,27,264	28,32,023	26,06,723	41,303	39,202	5,58,879	31,064				

¶ Statement not received. Figures taken from last year's statement.

‡ Proprietary Concern.

§ Native States and Foreign Territory.

79.	¶ Lunkaransaria Weaving Works	Messrs. Lunkaransaria Ambalaram, Proprietor, Ambalaya Road, Surat	Ambalaya Road, Surat																
80.	Pratap Spg., Wvg. and Mfg. Co., Ltd.	Messrs. Motilal Manekchand & Co., Agents, Office on Mill premises	Amalner, East Khandesh.																
81.	Raja Bahadur Motilal Spinning and Weaving Mills, Ltd., (formerly Purna Cotton and Silk Manufacturing Co., Ltd.)	Messrs. Govindlal Nahanmal & Co. Agents, (S.S.R. Custom House Rd., Fort, Bombay	Station Road, Shahpur																
82.	‡ ¶ Rajkot Station Cotton Mills	Rajkot State, Mr. Trikamlal M. Doshi, Sp. Agent, Office on Mill premises.	Kanyanagar Cross Road, Ravanpura, Rajkot, (Kathiawar)																
83.	‡ Rajratna Nanmalmal Mills Co., Ltd.	Messrs. Nanmalmal Kesharimal & Co. Agents, Office on Mill premises.	Pethad (Baroda).																
84.	Shahapur Spinning and Weaving Co., Ltd.	Messrs. Shivajee Gambhir & Co., Agents, Shivaji Building House, Wittet Road, Bathurst Estate, Fort, Bombay	Station Road, Shahpur																
85.	‡ Shree Saraji Jubilee Cotton & Jute Mills Co., Ltd.	Messrs. Pestonjee Sorabjee & Co. Agents, Office on Mill premises.	Sultpur (B. B. Railway) via Sir Sumra.																
86.	‡ ¶ Shri Gajanan Weaving Mills	Mr. V. B. Vaidya, Managing Property, Office on Mill premises.	Subhanpuri, Sangli S. M. Country.																
87.	¶ Shri Sayaji Mills Co., Ltd.	Messrs. Samal Becher & Co. (P. D. Bond), Baroda.	Near Old Railway Station, Baroda																
88.	‡ ¶ Shri Shahu (Chhatrapati) Spg. & Wvg. Mills Ltd.	H. H. The Chhatrapati Maharaja Saheb of Kolhapur, Mr. Vasantrao Jadhav, Manager	Shahupuri, Kolhapur.																
89.	‡ Solapur Mills Co., Ltd.	Messrs. Maganlal Parikhbhai & Co., Agents, Office on Mill premises.	Solapur																
90.	Surat Cotton Spinning and Weaving Mills, Ltd.	Mr. Mafatlal Gagalbhai, Managing Director, 29, Churchgate Street, Fort, Bombay	Nanabazar, Surat																
91.	‡ ¶ Surat Industrial Mills	The Maharaja of Dhrangadra, Rajpipla, Office on Mill premises.	Sahara Gate, Surat																
92.	‡ Suryaprakash Weaving Factory	Mr. Dayanand Harbhandas Chevil, Proprietor, Office on Mill premises.	Near Station Road, Surat.																
93.	‡ ¶ Suryajee Mills Co., Ltd.	Messrs. Hindhavje Dandekar & Co., Proprietors, Rivaz Street, Bombay	Varachha Road, Surat.																
94.	‡ Tapidas Gavandas Khatdive Factory	Mr. Manavra Tapidas Hattiwala, Proprietor, Office on Mill premises.	Begumpura, Surat																
95.	Tikaysinam Mills (formerly Surat Weaving Mills, Limited.)	Messrs. Nikunjee Parmanand & Bros., Agents, Office on Mill premises.	Surat																
96.	Tilaksi Textile Mills, Ltd.	Mr. L. V. Tilaksi, Managing Agent, Office on Mill premises.	Kankaria Road, Shahpur Dt.																
97.	Vasant Spg. & Wvg. Mills, Ltd., (formerly Saraswati Weaving & Mfg. Co., Ltd.)	Messrs. Vasantlal Magnalal & Co., Agents, Office on Mill premises.	Broach																
98.	‡ ¶ Venkatesh Bangalore Mills	Mr. V. K. Datar, Owner, Office on Mill premises.	Sarbathanagi, S. M. C.																
99.	Vishnu Cotton Mill, Ltd.	The Bombay Co., Ltd., Secretaries, Treasurers and Agents, 9, Wallace Street, Fort, Bombay	Shahapur																
100.	Wadhwan Camp Mills, Ltd.	Messrs. L. M. Mehta & Co., Agents, Exchange Building, Hornby Road, Fort, Bombay	Wadhwan Civil Station, (Kathiawar).																

British India Press, Bombay.

‡ Proprietary Concern.

§ Native States and Foreign Territory.

¶ ——This statement does not contain number of weaving looms

THE Millowners' Association, BOMBAY.

COTTON SPINNING AND WEAVING MILLS WORKING

AND

IN COURSE OF ERECTION IN INDIA

ON

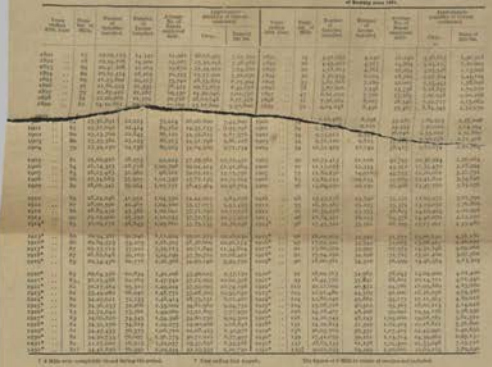
31st AUGUST, 1932.

PART I.

MILLS IN THE CITY & ISLAND OF BOMBAY

AND

MILLS IN COURSE OF ERECTION.



THE
Millowners' Association,
BOMBAY.

COTTON SPINNING AND WEAVING MILLS WORKING

AND

IN COURSE OF ERECTION IN INDIA

ON

31st AUGUST, 1932.

PART I.

MILLS IN THE CITY & ISLAND OF BOMBAY

AND

MILLS IN COURSE OF ERECTION.

| | | |

COTTON MILLS RECENTLY REGISTERED AND OR IN COURSE OF ERECTION.

BOMBAY PRESIDENCY.

a. Ahmedabad Mills, Ltd. (a) — Messrs. Mehtab Ahmad & Co. Ltd. Co. 17th Ahmedabad. Women's Hand Mills Co. Ltd., Calcutta Sister Gate, Ahmedabad. Agents: Bhagwandas Jamnadas & Sons Agency, Bhavnagar. — Ahmedabad

b. Mahalaxmi Mills, Ltd. (a) — Messrs. Textile Machine & Co., Agents, Porbandar, Kathiawar. — Porbandar

c. New Raymond Mills Co., Ltd. (a) — Messrs. Tejpatal Dharbal Nagar & Co., 17th Agents, c/o The Raymond Mills Co., Ltd., Lalbaugh Road, Ahmedabad. — Ahmedabad

d. Rohan Mills, Ltd. (a) — Messrs. Tejpatal Dharbal Nagarwala & Co., Ltd., Ahmedabad. — Ahmedabad

e. Rohan Mills, Ltd. (a) — Messrs. Lalbhai Gordhandas Ltd., Agents, Rohan Property, Post, Ahmedabad. — Ahmedabad

f. Old Dhandarwadi Mill Co., Ltd. (a) — Messrs. Chhotalbhai Bhagubhai & Co., Patel Chawla Road, Dhandarwadi, Surat. — Surat

g. Shri Chamundi Mill, & Weav. Mills, Ltd. (a) — Messrs. Chamundi Singh & Co., Ltd., Agents, 40 Dhondia Road, Sangli. — Sangli

HYDERABAD (DECCAN) TERRITORY.

a. Asmir Jahi Mills, Ltd. (a) — Messrs. Gurmukhdas Khanna & Sons, Ltd., Commission Merchants, 14/15 Ochiem Singh Road, Bombay. — Warangal

CENTRAL INDIA.

a. Ujjain Mills, Ltd. (a) — Messrs. Ramchandra Bhandarkar & Sons, Agents, Indore. — Ujjain

b. Ashoka Narsingjee Mills, Ltd. (a) — Messrs. J. A. Shaikh, Directors, 3, South Colaba Road, Indore. — Indore

c. Shahid Agarwal Mills, Co-operative Soc. (a) — Dr. S. L. Agarwal, Proprietor, Office of the Secretary, Shahid. — Shahid Road, Gwalior

BENGAL PRESIDENCY AND ASSAM.

a. Acharya Prafulla Chandra Cotton Mills, Ltd. (a) — Messrs. The Bengal Weavers' Association, The Ashoka Building, 1, Bentinck Street, Calcutta. — Khulna

b. Ajanta Cotton Spg. & Wvg. Mills (a) — Messrs. Ajanta Trading and Manufacturing Co., Ltd., Calcutta. — Dacca

c. Bengasree Cotton Mills Co., Ltd. (a) — Mr. Kali Mohan Saha, 12, Canning Street, Calcutta. — Dacca

d. Bengashree Cotton Mills, Ltd. (a) — Messrs. B. J. Mukherji & Co., Agents, 3, Council House Street, Calcutta. — Pandaveswar, via Raniganj

e. Bengal Cotton & Woollen Mills, Ltd. (a) — Messrs. Bengal Cotton & Woollen Mills, Ltd., Agents, 19-1 Lall Street, Dacca. — Dacca

f. Chittagong Cotton Mills, Ltd. (a) — Messrs. Chittagong Cotton Mills, Ltd., Agents, 19, Dr. P. K. Saha, Managing Director, Asiatic Chambers, Calcutta. — Pilkarhat, Chittagong

g. Chittranjan Cotton Mills, Ltd. (a) — The Industrial Industrial Syndicate, Ltd., Agents, 1, Council House Street, Calcutta. — Cossimbazar, Murshidabad

h. City Cotton Mills, Ltd. (a) — Messrs. Bengal Industrial Syndicate, Ltd., Agents, 1, Council House, Mr. Agents & Co., Ltd., Chartered Bank Chambers, Calcutta. — Dhormtoli Burdwan

i. East India Cotton Mills, Ltd. (a) — Messrs. B. N. Bhadra Chowdhury and P. N. Roy, Managing Directors, 110, Phears Lane, Calcutta. — Mohamed. P. O. Ambeli-Bhatti Thakurji Bhawan.

j. Jagadishri Cotton Mills (a) — Agents, 36, Lalbazar Road, Dacca. — Dacca

k. Mahalaxmi Cotton Mills, Ltd. (a) — Messrs. Roy Chowdhury & Co., Bankers, Calcutta. — Bangaon, P. O. Sarsuna

l. Nadia Cotton Mills, Ltd. (a) — Agents, 17, Lalbazar Road, Dacca. — Dacca

m. North Bengal Cotton Mills, Ltd. (a) — Messrs. Bengal Industrial Co., Ltd., Agents, 1, Council House Street, Calcutta. — Jalpaiguri, P. O. Bengal Duars

n. Sri Laxmi Cotton Mills (a) — Messrs. National Finance Syndicate, 111, Cornwallis Street, Calcutta. — Chandpur Bazar, Sylhet

o. Swadeshi Mills (a) — Agents, 10, Ironside Dis. Lane, Calcutta. — Comilla

p. Sri Durga Cotton Mills, Ltd. (a) — Agents, 14/1, Old Chine Bazar Street, Calcutta. — Calcutta

q. Tripura Cotton Mills, Ltd. (a) — Messrs. Comilla Workers' Union Ltd., Comilla. — Comilla

r. Young India Cotton Mill (a) — Messrs. Bhuson & Co., Agents, 20, Nandi Road, Calcutta. — Calcutta

PUNJAB.

a. Punjab Textile Mills, Ltd. (a) — Mahomed Ashraf, Manager, 56, Bhaiwa Road, Lahore. — Lahore

UNITED PROVINCES.

a. Banaras Cotton Mills (formerly Ganesh Cotton Mills) (a) — Messrs. H. Perry & Co., Proprietors, 8/1 Rani ca, Lucknow. — Cawnpore

MADRAS PRESIDENCY.

a. Dharmakshetra Mills, Ltd. (a) — Messrs. B. Shivajirao Chettiar & Sons, Agents, Dindigul. — Dindigul

b. Pandiyan Mills, Ltd. (a) — Messrs. T. S. Ramanathapuram Mudaliar & Sons, 22/23, Third Street, Coimbatore. — Coimbatore

c. Rajalakshmi Mills, Ltd. (a) — Messrs. B. Sangamalingam, Nadar & Co., Directors, 28, Mill Road, Sivakasi. — Virudhunagar, Nagamalai

In liquidation.

(a) Mills which have commenced construction.

(b) Recently registered but not yet commenced construction.

† Machinery not received. ‡ Figures taken from last year's statement. § Station Master. ‖ Proprietary Concern.

NOTE.—The average number of hands employed daily is arrived at by adding together the number of hands employed on each day the Mills were open between 1st September 1931 and 31st August 1932 and dividing the results by the number of days actually worked.

It does not include the number employed on night shift.

00133734

MILL STATEMENT FOR 1932

AND

SPINNING AND WEAVING SUPPLEMENT.

Digitized with financial assistance from

Government of Maharashtra

on 01 February, 2020